EXHIBIT 2

Filed Pursuant to Rule 424(b)(4)
Registration No. 333-266058
and Registration No. 333-266943

GigaCloud Technology Inc

2,940,000 Class A Ordinary Shares

This is an initial public offering of 2,940,000 Class A ordinary shares, par value $0.05 per share, by GigaCloud Technology Inc. The initial public offering price of our Class A ordinary shares is $12.25 per Class A ordinary share.

Prior to this offering, there has been no public market for our shares. Our Class A ordinary shares have been approved for listing on the Nasdaq Global Market, or Nasdaq, under the symbol "GCT."

In this prospectus, "Cayman Islands holding company" refers to GigaCloud Technology Inc, our Cayman Islands holding company and its predecessor entity; "we," "us," "our company," "our," "our group" or "GigaCloud Group" refers to GigaCloud Technology Inc, our Cayman Islands holding company, its predecessor entity, together as a group with its subsidiaries and, in the context of describing our operations and consolidated financial statements, its consolidated variable interest entities, or VIEs, and any subsidiaries of its consolidated VIEs; "Hong Kong Subsidiary" refers to GigaCloud Technology (HongKong) Limited, a wholly-owned subsidiary of GigaCloud Technology Inc in Hong Kong principally for operating the B2B GigaCloud Marketplace; and "PRC Subsidiaries" refer to operating subsidiaries of GigaCloud Technology Inc in mainland China principally for procurement and providing inter-group services to the group companies.

We are an "emerging growth company" as defined under applicable securities laws in the United States, or the U.S., and are eligible for reduced public company reporting requirements.

See "Risk Factors" beginning on page 31 to read about factors you should consider before buying our Class A ordinary shares.

GigaCloud Technology Inc is a holding company incorporated in the Cayman Islands and not a direct Chinese or Hong Kong operating company. As a holding company with no material operations of its own, GigaCloud Technology Inc conducts its operations through its principal subsidiaries incorporated in mainland China, Hong Kong, Japan and the United States and principal consolidated VIEs incorporated in the United States and the United Kingdom. Our corporate structure involves unique risks to investors as they are purchasing equity securities in a Cayman Islands holding company with operations conducted by our subsidiaries and consolidated VIEs, and not equity securities of our subsidiaries based in mainland China, Hong Kong, Japan and the United States, nor equity securities of our consolidated VIEs based in the United States and the United Kingdom. The Class A ordinary shares offered in this offering are shares of our Cayman Islands holding company instead of the shares of our subsidiaries or consolidated VIEs. Investors will not and may never directly hold equity interests in our subsidiaries or consolidated VIEs, including the equity interests in our principal subsidiaries based in mainland China, Hong Kong, Japan and the United States and our principal consolidated VIEs based in the United States and the United Kingdom. While our current corporate structure does not contain any VIE in the People's Republic of China, or the PRC, and our group has no intention establishing any VIEs in the PRC in the future, if in the future our group's corporate structure were to contain a VIE, the PRC regulatory authorities could disallow the VIE structure, which would likely result in a material change in our operations and/or a material change in the value of the securities we are registering for sale, including that it could cause the value of such securities to significantly decline or in extreme cases, become worthless. We do not own any equity interest in the consolidated VIEs. We control and receive the economic benefits of our consolidated VIEs and their business operations through certain contractual arrangements. Uncertainties exist as to our ability to enforce the VIE agreements, and the enforceability of the VIE agreements has not been tested in a court of law. For a description of our corporate structure and our contractual arrangements with our consolidated VIEs and the risks related to our corporate structure, see "Corporate History and Structure—Contractual Arrangements with Our Consolidated VIEs and their Shareholders," "Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with our consolidated VIEs and their shareholders for a portion of our business operations. These arrangements may not be as effective as direct ownership in providing operational control," and "Risk Factors—Risks Related to Doing Business in China—The PRC government may exert more control over offerings conducted overseas and/or foreign investment in mainland China- and Hong Kong-based issuers, may exercise significant oversight and discretion over a company's ability to conduct business in mainland China and Hong Kong and may intervene in or influence our operations at any time, which could result in a material change in our operations and/or the value of the securities we are registering for sale."

The PRC government has recently indicated an intent to exert more oversight and control over overseas securities offerings and other capital markets activities by, and overseas and/or foreign investment in, companies with operations in mainland China and Hong Kong, including enhancing supervision over companies with operations in mainland China that are listed overseas using VIE structure, and that the PRC regulatory authorities could disallow the use of such VIE holding structure. We do not believe that we are directly subject to these regulatory actions or statements, as we do not currently have any VIE in the PRC. However, the rules and regulations and the enforcement thereof in China can change quickly. The PRC regulatory authorities could change the rules, regulations and policies regarding foreign ownership in the industry in which we operate, which would likely result in material change in our operations and/or a material change in the value of the securities we are registering for sale, including that it could cause the value of the securities to significantly decline, or become worthless. The PRC government may intervene with or influence our operations in mainland China and Hong Kong as the government deems appropriate to further regulatory, political and societal goals. Any such action, once taken by the PRC government, could result in a material change in our operations, significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of the securities we are registering for sale to significantly decline or in extreme cases, become worthless. See "Risk Factors—Risks Related to Doing Business in China—The PRC government may exert more control over offerings conducted overseas and/or foreign investment in mainland China- and Hong Kong-based issuers, may exercise significant oversight and discretion over a company's ability to conduct business in mainland China and Hong Kong and may intervene in or influence our operations at any time, which could result in a material change in our operations and/or the value of the securities we are registering for sale."

On June 30, 2020, the Standing Committee of the National People's Congress of the PRC, or the Standing Committee of the NPC, promulgated the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region, or the Law of PRC on Safeguarding National Security in Hong Kong. The interpretation of the Law of the PRC on Safeguarding National Security in Hong Kong involves a degree of uncertainty. Recently, the PRC government announced that it would step up supervision of overseas listed PRC businesses. Under the new measures, the PRC government will enhance regulation of cross-border data flows and security, crack down on illegal activity in the securities market and punish fraudulent securities issuance, market manipulation and insider trading. The PRC government will also check sources of funding for securities investment and control leverage ratios. The PRC government has also opened a probe into several U.S.-listed technology companies focusing on anti-monopoly, financial technology regulation and more recently, with the passage of the PRC Data Security Law, how companies collect, store, process and transfer personal data. Currently these laws (other than the Law of the PRC on Safeguarding National Security in Hong Kong) are expected to apply to mainland China domestic businesses, rather than businesses in Hong Kong which operate under a different set of laws from mainland China. However, there can be no assurance that the government of Hong Kong will not enact similar laws and regulations applicable to companies operating in Hong Kong. For example, the PRC government may pressure the government of Hong Kong to enact similar laws and regulations to those in the PRC, which may seek to exert control over offerings conducted overseas by Hong Kong companies. If any or all of the foregoing were to occur, it could lead to a material adverse change in GigaCloud Group's operations and limit or hinder our ability to offer securities to overseas investors or remain listed in the United States, which could cause the value of the securities we are registering for sale to significantly decline or become worthless. See "Risk Factors—Risks Related to Doing Business in China—Implementation of the Law of the PRC on Safeguarding National Security in Hong Kong involves uncertainty, and the recent policy pronouncements by the PRC government regarding business activities of U.S.-listed PRC businesses may negatively impact GigaCloud Group's existing and future operations in Hong Kong."

Although we have operations in many locations globally, we face various legal and operational risks and uncertainties as a result of being based in and having operations in mainland China and Hong Kong. We launched our GigaCloud Marketplace under our Hong Kong Subsidiary in 2019. Our PRC Subsidiaries perform cost functions and internal operational functions, but our PRC Subsidiaries do not generate revenue in the PRC. Accordingly, the laws and regulations of the PRC have an impact on the operational and procurement aspects of our business. Furthermore, the PRC government has authority to exert political and economic influence on the ability of a company with operations in mainland China and Hong Kong to conduct business, accept foreign investment or list on the United States or the other foreign exchange. For example, we may face risks associated with regulatory approvals of offshore offerings, anti-monopoly regulatory actions, oversight on cybersecurity and data privacy, the lack of inspection of the Public Company Accounting Oversight Board, or the PCAOB, of our auditors, as well as regulatory risks relating to companies in Hong Kong. Based on our inquiry with the relevant PRC government authority and the advice of our PRC legal counsel, we believe we, including our PRC Subsidiaries and our Hong Kong Subsidiary, are currently not required to file with the Cyberspace Administration of China, or the CAC, for a cybersecurity review as of the date hereof, because (i) our B2B ecommerce platform, GigaCloud Marketplace, is operated in Hong Kong under our Hong Kong Subsidiary with under one million users, and (ii) our GigaCloud Marketplace is a B2B ecommerce platform and any data we collected on our sellers and buyers are limited without any personal information. See "Risk Factors—Risks Related to Doing Business in China—The approval or other administration requirements of the China Securities Regulatory Commission, or the CSRC, or other PRC governmental authorities, may be required in connection with this offering under a PRC regulation or any new laws, rules or regulations to be enacted, and if required, we cannot assure you that we will be able to obtain such approval. The regulation also establishes more complex procedures for acquisitions conducted by foreign investors that could make it more difficult for us to grow through acquisitions." In light of recent statements and regulatory actions by the PRC government related to the PRC's extension of authority into Hong Kong, there is also risk that the PRC government may intervene or influence our operations in Hong Kong, as our operations in Hong Kong are subject to political and economic influence from the PRC government. Our Hong Kong Subsidiary may be subject to direct intervention or influence from the PRC government in the future due to changes in laws or other unforeseeable reasons. Such risks could impact our ability to conduct our business, accept foreign investments, or list on the United States or the other foreign exchange, result in a material change in our operations and/or the value of our Class A ordinary shares or could significantly limit or completely hinder our ability to offer or continue to offer Class A ordinary shares and/or other securities to investors and cause the value of the securities we are registering for sale to significantly decline or be worthless. See "Risk Factors—Risks Related to Doing Business in China—The PRC government may exert more control over offerings conducted overseas and/or foreign investment in mainland China- and Hong Kong-based issuers, may exercise significant oversight and discretion over a company's ability to conduct business in mainland China and Hong Kong and may intervene in or influence our operations at any time, which could result in a material change in our operations and/or the value of the securities we are registering for sale," and "Risk Factors—Risks Related to Doing Business in China—We operate our GigaCloud Marketplace through our Hong Kong Subsidiary. If the PRC government were to extend its oversight into companies in Hong Kong, our Hong Kong Subsidiary may be subject to additional regulations which could have a material effect on our business operations."

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On December 2, 2021, the SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the Holding Foreign Companies Accountable Act, or the HFCA Act. The rules apply to registrants the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate, or the Commission-Identified Issuers. The final amendments require Commission-Identified Issuers to submit documentation to the SEC establishing that it is not owned or controlled by a governmental entity in the public accounting firm's foreign jurisdiction. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which, if enacted into law would amend the HFCA Act and require the SEC to prohibit an issuer's securities from trading on U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive "non-inspection" years instead of three, and therefore reducing the time before our securities may be prohibited from trading on the Nasdaq or other U.S. stock exchanges, and this ultimately could result in our Class A ordinary shares being delisted. On September 22, 2021, the PCAOB adopted a final rule implementing the HFCA Act, which provides a framework for the PCAOB to use when determining, as contemplated under the HFCA Act, whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On December 16, 2021, the PCAOB issued a report on its determinations that the PCAOB is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong, because of positions taken by PRC authorities in these jurisdictions. The PCAOB included in its report a list of registered public accounting firms headquartered in mainland China and Hong Kong that the PCAOB is unable to inspect or investigate completely, including our auditor, KPMG Huazhen LLP. Our Class A ordinary shares may be delisted under the HFCA Act if the PCAOB is unable to inspect auditors who are located in China and if we fail to implement measures to enable PCAOB' inspection of our auditor. See "Risk Factors—Related to Our Class A Ordinary Shares and this Offering—Our Class A ordinary shares may be delisted under the HFCA Act if the PCAOB is unable to inspect auditors who are located in China and if we fail to implement measures to enable PCAOB's inspection of our auditor. The delisting of our Class A ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct inspections deprives our investors of the benefits of such inspections."

We have operations in many locations globally through our principal subsidiaries incorporated in mainland China, Hong Kong, Japan and the United States and our principal consolidated VIEs incorporated in the United States and the United Kingdom. If needed, cash can be transferred between our holding company and subsidiaries through intercompany fund advances. In 2019, GigaCloud Technology Inc, our Cayman Islands holding company (i) received a total of $4.4 million in cash from our subsidiaries and our consolidated VIEs, of which nil was from our Hong Kong Subsidiary or PRC Subsidiaries; and (ii) transferred a total of $3.3 million in cash to our subsidiaries and our consolidated VIEs, of which $1.0 million was to our Hong Kong Subsidiary and $1.4 million was to Suzhou Dajianyun Transport Co., Ltd., or Suzhou GigaCloud. In 2020, GigaCloud Technology Inc (i) received a total of $12.3 million in cash from our subsidiaries and our consolidated VIEs, of which $1.1 million was from our Hong Kong Subsidiary and nil from our PRC Subsidiaries; and (ii) transferred a total of $2.1 million in cash to our subsidiaries and our consolidated VIEs, of which $1.8 million was to our Hong Kong Subsidiary. In 2021, GigaCloud Technology Inc (i) received a total of $6.7 million in cash, of which $6.7 million was from our Hong Kong Subsidiary; and (ii) transferred a total of $18.6 million in cash to our subsidiaries, of which $18.5 million was to our Hong Kong Subsidiary and $0.1 million was to GigaCloud Trading (HongKong) Limited. In the three months ended March 31, 2022, GigaCloud Technology Inc (i) did not receive any cash transfer from our subsidiaries or consolidated VIEs; and (ii) transferred a total of $10.1 million to our subsidiaries, of which $10.0 million was to our Hong Kong Subsidiary and $0.1 million was to GigaCloud Trading (HongKong) Limited. Suzhou GigaCloud was a consolidated VIE in mainland China from 2018 to February 2021, and we acquired 100% of the equity interest in Suzhou GigaCloud in February 2021, which then became our indirect wholly-owned subsidiary. In 2019, Suzhou GigaCloud did not have any transfers, dividends or distributions with our Cayman Islands holding company or other intercompany entities. In 2020 and 2021, Suzhou GigaCloud received a total of $0.4 million and $1.5 million, respectively, in cash from our Hong Kong Subsidiary. In the three months ended March 31, 2022, Suzhou GigaCloud received a total of $0.3 million in cash from our Hong Kong Subsidiary. In 2020 and 2021, Suzhou GigaCloud transferred a total of nil and $0.5 million, respectively, in cash to our subsidiary in Japan and our consolidated VIE in the United States. In the three months ended March 31, 2022, Suzhou GigaCloud did not have any transfers, dividends or distributions with our Cayman Islands holding company or other intercompany entities. In 2019, 2020, 2021 and the three months ended March 31, 2022, GigaCloud Technology (Suzhou) Co., Ltd., our wholly-owned subsidiary in mainland China, transferred a total of $0.04 million, nil, $0.06 million and nil, respectively, in cash to our subsidiaries in mainland China. In 2019, 2020, 2021 and the three months ended March 31, 2022, GigaCloud Technology (Suzhou) Co., Ltd. received a total of $3.1 million in cash, of which $1.7 million was from our Hong Kong Subsidiary and $1.4 million was from GigaCloud Technology Inc, $4.6 million in cash from our Hong Kong Subsidiary, $15.1 million in cash, of which $15.0 million was from our Hong Kong Subsidiary and $0.1 million was from one of our PRC Subsidiaries, and $2.9 million in cash from our Hong Kong Subsidiary, respectively. As of the date of this prospectus, other than the cash transfer described hereto, there were no transfer of other assets between our Cayman Islands holding company, our subsidiaries and VIEs. Our subsidiaries and consolidated VIEs have never made any dividends or distributions to our Cayman Islands holding company, or to investors. Similarly, our Cayman Islands holding company has not declared or made any dividend or other distribution to its shareholders, including U.S. investors, in the past. If we decide to pay dividends on any of our ordinary shares in the future, as a holding company, we will be dependent on receipt of funds from our principal subsidiaries in Hong Kong, Japan and the United States and our principal consolidated VIEs in the United States and the United Kingdom. There are currently no restrictions on foreign exchange and our ability to transfer cash among our Cayman Islands holding company and our principal subsidiaries and consolidated VIEs, as applicable, in Hong Kong, Japan, the United States and the United Kingdom, or to investors. Although we did not rely on our PRC Subsidiaries in dividends or other distributions on equity in the past, in the event that our PRC Subsidiaries were to issue dividends or distribution to us out of mainland China in the future, our PRC Subsidiaries may be subject to the applicable foreign currency control. To date, there have not been any such dividends or other distributions from our PRC Subsidiaries to our subsidiaries located outside of mainland China. In addition, save as disclosed above, as of the date of this prospectus, none of our subsidiaries have ever issued any dividends or distributions to us or their respective shareholders outside of mainland China. In the PRC, the PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and the remittance of currency out of the PRC which may restrict our PRC Subsidiaries' ability to transfer cash from our PRC Subsidiaries to our other non-mainland China entities. To the extent cash is generated in our PRC Subsidiaries, and may need to be used to fund operations outside of mainland China, such funds may not be available due to limitations placed by the PRC government. Furthermore, to the extent assets (other than cash) in our business are located in mainland China or held by a mainland China entity, the assets may not be available to fund operations or for other use outside of mainland China due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer assets by the PRC government. If certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong Subsidiary in the future, and to the extent cash is generated in our Hong Kong Subsidiary and to the extent assets (other than cash) in our business are located in Hong Kong or held by a Hong Kong entity and may need to be used to fund operations outside of Hong Kong, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC government. Furthermore, there can be no assurance that the PRC government will not intervene or impose restrictions on GigaCloud Group's ability to transfer or distribute cash within its organization, which could result in an inability or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong and adversely affect its business. Saved as the foregoing limitations imposed by the PRC government as described hereto, there are currently no limitations on our or our subsidiaries' ability to transfer cash to investors. See "Risk Factors—Risks Related to Doing Business in China—Governmental control of currency conversion may limit our ability to utilize our revenues, transfer or distribute cash within our group effectively and affect the value of your investment."

We currently have not maintained any cash management policies that dictate the purpose, amount and procedure of fund transfers among our Cayman Islands holding company, our subsidiaries, the consolidated VIEs, or investors. Rather, the funds can be transferred in accordance with the applicable laws and regulations. See "Prospectus Summary—Cash Transfers and Dividend Distribution." We may require additional capital resources in the future and we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities, which could subject us to operating and financing covenants, including requirements to maintain certain amount of cash reserves. See "Risk Factors—Risks Related to Our Business and Industry—Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing."

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Class A ordinary share	Total
Initial public offering price	$ 12.25	$36,015,000
Underwriting discounts and commissions (1)	$ 0.98	$ 2,881,200
Proceeds, before expenses, to us	$ 11.27	$33,133,800

(1) For additional information on underwriting compensation, see "Underwriting."

We have granted the underwriter a 45-day option to purchase up to an aggregate of 441,000 additional Class A ordinary shares, representing 15% of the Class A ordinary shares sold in the offering, from GigaCloud Technology Inc solely to cover over-allotments, if any, at the initial public offering price less the underwriting discounts and commissions.

Immediately prior to the completion of this offering, our outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Mr. Larry Lei Wu, our chairman of board of directors and chief executive officer, will beneficially own all of our issued Class B ordinary shares and will be able to exercise approximately 75.1% of the total voting power of our issued and outstanding share capital immediately following the completion of this offering. Holders of Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Each Class A ordinary share will be entitled to one vote, and each Class B ordinary share will be entitled to ten votes. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Each Class B ordinary share will be convertible into Class A ordinary share. Class A ordinary shares will not be convertible into Class B ordinary shares under any circumstances.

Certain entities affiliated with DCM, one of our principal shareholders, have agreed to purchase, and have been allocated by the underwriter, an aggregate of 816,300 Class A ordinary shares in this offering at the initial public offering price, representing approximately 27.8% of the Class A ordinary shares being offered in this offering, assuming the underwriter does not exercise their over-allotment option. The underwriter will receive the same underwriting discounts and commissions on any shares purchased by these parties as the underwriter will on any other shares sold to the public in this offering. See "Underwriting." Upon the completion of this offering, we will be a "controlled company" as defined under the Nasdaq Stock Market Listing Rules because Mr. Larry Lei Wu, our chairman of board of directors and chief executive officer, will hold more than 50% of our voting power for the election of directors through TALENT BOOM GROUP LIMITED and Ji Xiang Hu Tong Holdings Limited, the entities controlled by Mr. Wu. In addition, our directors, officers and certain affiliated shareholders will own a substantial majority of our shares and will be able to exercise a substantial majority of the total voting power of our total issued and outstanding ordinary shares immediately upon the completion of this offering, assuming the underwriter does not exercise the option to purchase additional Class A ordinary shares. See "Principal Shareholders" for details.

The underwriter expects to deliver the Class A ordinary shares against payment in U.S. dollars in New York, New York on or about August 22, 2022

Sole Book-Running Manager

Aegis Capital Corp.

PROSPECTUS DATED AUGUST 17, 2022

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We and the underwriter have not authorized anyone to provide you with information different from tha contained in this prospectus or in any related free-writing prospectus We take no responsibility for and can provide no assurance as to the reliability of any other information that others may give you We are offering to sell and seeking offers to buy the Class A ordinary shares o fered hereby but only under circumstances and in jurisdictions where offers and sales are permitted and lawful to do so The information contained in this prospectus is current only as of its date regardless of the time of delivery of this prospectus or of any sale of the Class A ordinary shares

Neither we nor the underwriter has done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where other action for that purpose is required other than in the U S Persons outside the U S who come into possession of this prospectus or any filed free writing prospectus must inform themselves about and observe any restrictions relating to the offering of the Class A ordinary shares and the distribution of this prospectus or any filed free writing prospectus outside the U S

Until September 11, 2022 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade Class A ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our Class A ordinary shares discussed under "Risk Factors," "Business," and information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding whether to invest in our Class A ordinary shares This prospectus contains information from an industry report commissioned by us and prepared by Frost & Sullivan, a third-party independent research firm We refer to this report as the Frost and Sullivan Report

Overview

We are a pioneer of global end-to-end B2B ecommerce solutions for large parcel merchandise Our B2B ecommerce platform which we refer to as the "GigaCloud Marketplace " integrates everything from discovery payments and logistics tools into one easy-to-use platform Our global marketplace seamlessly connects manufacturers primarily in Asia with resellers primarily in the U S Asia and Europe to execute cross-border transactions with confidence speed and efficiency We offer a true comprehensive solution that transports products from the manufacturer's warehouse to end customers all at one fixed price We first launched our marketplace in January 2019 by focusing on the global furniture market and have since expanded into additional categories such as home appliances and fitness equipment GigaCloud Marketplace is one of the fastest growing la ge parcel B2B marketplaces with over $190 5 million $414 2 million and $438 1 million of gross merchandise value or GMV transacted in our marketplace in 2020 2021 and the 12 months ended March 31 2022 respectively

We built the GigaCloud Marketplace to democratize access and distribution globally so that manufacturers who are typically sellers in our marketplace and online resellers who are typically buyers in our marketplace could transact without borders Manufacturers view our marketplace as an essential sales channel to thousands of online resellers in the U S and Europe Our GigaCloud Marketplace enables manufacturers to deliver their products around the world Additionally online resellers may lack the resources and infrastructure to manage a global supply chain and support international distribution Our integrated ecommerce solutions allow online resellers to offer products and services comparable to those offered by large ecommerce platforms by giving them access to a large and growing catalog of products at wholesale prices supported by industry-leading global fulfillment capabilities

To enhance our marketplace experience we sell our own inventory or 1P through the GigaCloud Marketplace and to and through third-party ecommerce websites such as Rakuten in Japan Amazon and Walmart in the U S and Wayfair in the United Kingdom or the U K These 1P revenues expand our market presence reduce inventory and logistics risk for sellers create more products for buyers drive volume-based cost efficiencies for sourcing products provide us with proprietary data and increase the velocity of sales on our marketplace 1P revenues through the GigaCloud Marketplace and to and through third-party ecommerce websites represented 78 2% 76 3% 78 4% and 72 2% of total revenues in 2020 2021 and the three months ended March 31 2021 and 2022 respectively As our GigaCloud Marketplace continues to grow we expect 1P revenues as a percentage of total revenues to decline over time

We have built a cross-border fulfillment network optimized for large parcel products We operate warehouses in four countries across North America Europe and Asia The U S is our la gest market We operate 21 large-scale warehouses around the world totaling over four million square feet of storage space cover 11 ports of destination with over ten thousand annual containers and have an extensive shipping and trucking network via partnerships with major shipping trucking and freight service providers By servicing the entire supply chain we

offer sellers and buyers in our marketplace enhanced visibility into product inventory reducing turnover time and lower transaction costs On average we are able to deliver products to end customers within one week of their order and at a fixed rate that is cheaper than standard rates from FedEx and UPS

We have artificial intelligence software or AI that generates seller ratings and credit profiles through volume data Additionally our AI optimizes routing by organizing incoming orders and rebalancing inventory levels within our warehousing network Our software platform includes flexible trading tools with which sellers can set prices based on quantities delivery dates and fulfillment methods and buyers have the option to purchase merchandise individually or in bulk

We leverage our proprietary data and AI to accelerate the network effects in our marketplace As our marketplace grows we accumulate user and product data to develop analytical and predicative tools such as product sales forecasts This information is valuable to our sellers as it allows them to efficiently manage inventory and pricing As sellers succeed in our marketplace more sellers join which expands our merchandise offerings Our broad merchandise selection competitive pricing and virtual warehousing capabilities encourage buyers to join and transact in our marketplace More buyer activity leads to more sellers creating a virtuous cycle

In 2020 we had 210 active third-party sellers or active 3P sellers and 1 689 active buyers in our GigaCloud Marketplace representing a year-over-year increase of 195 8% and 283 0% respectively In 2020 our users transacted $190 5 million of GigaCloud Marketplace GMV with an average spend per buyer of $112 777 This is a 437 0% year-over-year increase in GigaCloud Marketplace GMV and a 40 2% year-over-year increase in average spend per buyer from 2019 respectively Combined with off-platform ecommerce GMV of $93 2 million the total transactions that we facilitated aggregated a GMV of $283 7 million in 2020

In 2021 we had 382 active 3P sellers and 3 566 active buyers in our GigaCloud Marketplace representing a year-over-year increase of 81 9% and 111 1% respectively In 2021 our users transacted $414 2 million of GigaCloud Marketplace GMV with an average spend per buyer of $116 150 This is a 117 4% year-over-year increase in GigaCloud Marketplace GMV and a 3 0% year-over-year increase in average spend per buyer from 2020 respectively Combined with off-platform ecommerce GMV of $127 6 million the total transactions that we facilitated aggregated a GMV of $541 8 million in 2021

In the 12 months ended March 31 2022 we had 410 active 3P sellers and 3 782 active buyers in our GigaCloud Marketplace representing a year-over-year increase of 73 7% and 76 9% respectively In the 12 months ended March 31 2022 our users transacted $438 1 million of GigaCloud Marketplace GMV with an average spend per buyer of $115 845 This is a 69 1% year-over-year increase in GigaCloud Marketplace GMV and a 4 4% year-over-year decrease in average spend per buyer from the 12 months ended March 31 2021 respectively Combined with off-platform ecommerce GMV of $122 7 million the total transactions that we facilitated aggregated a GMV of $560 8 million in the 12 months ended March 31 2022 representing a 54 1% increase in GMV year-over-year from the 12 months ended March 31 2021

We experienced significant growth over the last three years In 2019 2020 2021 and the three months ended March 31 2021 and 2022:

- We generated total revenues of $122 3 million $275 5 million $414 2 million $94 5 million and $112 4 million respectively representing 125 3% and 50 4% year-over-year growth in 2020 and 2021 respectively and 19 0% period-over-period growth in the three months ended March 31 2022;

- We generated gross profit of $22 2 million $75 1 million $89 6 million $20 9 million and $16 9 million respectively representing 18 1% 27 3% 21 6% 22 1% and 15 0% of total revenues respectively;

- Our net income was $2 9 million $37 5 million (restated) $29 3 million $8 0 million (restated) and $4 7 million respectively; and

- Our Adjusted EBITDA was $4 9 million $45 5 million $48 0 million $10 0 million and $6 9 million respectively

See "Selected Consolidated Financial and Operating Data—Non-GAAP Financial Measures" for information regarding our use of Adjusted EBITDA and a reconciliation of net income to Adjusted EBITDA

Below is a summary of our key financial and operating metrics for the periods indicated:

	For the Year Ended December 31,			For the 12 Months Ended March 31,	
GigaCloud Marketplace:	**2019**	**2020**	**2021**	**2021**	**2022**
GigaCloud Marketplace GMV (in $ thousands)	$35 468	$190 480	$414 192	$259 050	$438 126
Active 3P sellers	71	210	382	236	410
Active buyers	441	1 689	3 566	2 138	3 782
Spend per active buyer (in $)	$80 427	$112 777	$116 150	$121 165	$115 845

Despite the global disruption including fulfillment network capacity and supply chain constraints caused by the COVID-19 pandemic our growth was accelerated by the trend of consumers purchasing products online as consumers are furnishing their apartments and homes to better serve their work-at-home and play-at-home needs during the COVID-19 pandemic In the second quarter of 2020 our GigaCloud MarketPlace GMV grew at 122 9% compared to the previous quarter which was the highest quarter-over-quarter growth rate of our GigaCloud MarketPlace GMV in 2020 We believe the onset of the COVID-19 pandemic has accelerated the adoption of our marketplace and our GigaCloud MarketPlace GMV continued to grow in the remaining quarters in 2020 2021 and in the first quarter of 2022

Our Value Proposition to Sellers

We lower the barriers to entry for sellers in our marketplace who are able to quickly gain access to the key global markets in which we operate including the U S the U K Germany and Japan Sellers can directly connect with resellers in our marketplace and leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics We manage the entire logistics process from the moment the product leaves the factory floor and simplify the process by offering a flat rate program for shipping and handling Leveraging our algorithm we determine when and where to ship a product reduce the amount of time a product is handled and select the most effective delivery mechanism for the product Sellers are able to leverage our warehouse space which we charge on a per cubic foot per day basis in order to increase warehouse utilization rates and reduce cost Our platform provides multiple channels through which sellers can sell their product enhancing their inventory turnover rate and increasing their profitability Many of the sellers operating in our GigaCloud Marketplace were originally suppliers of our 1P inventory that later joined the GigaCloud Marketplace as 3P sellers

Our Value Proposition to Buyers

Our marketplace offers one-stop-shop logistics solutions for a broad catalog of large parcel products sourced globally We o fer virtual warehousing and multiple fulfillment solutions including cloud courier cloud

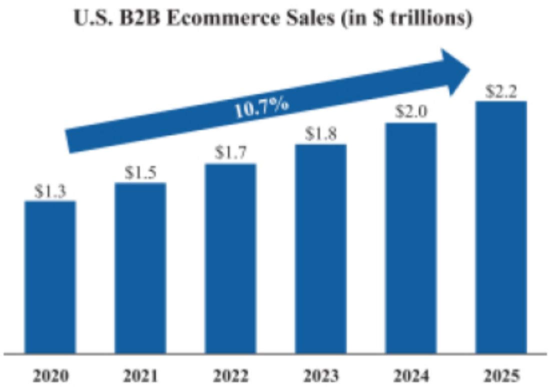
wholesale fulfillment white glove and drop shipping solutions so buyers do not need to manage physical order fulfillment With 21 large-scale warehouses strategically positioned in key markets around the world we have the capability to reach over 90% of customers in the lower 48 states in the U S within an average of three days of delivery time Our solution effectively minimizes inventory risk for buyers and allows them to reach customers across geographies at an a fordable price

We also provide buyers the optionality to pre-sell products through their own channels before placing an order in GigaCloud Marketplace This significantly reduces buyers' working capital needs and allow them to scale more efficiently

Our Market Opportunity

The U S B2B large parcel market is massive and underpenetrated by ecommerce largely due to the supply chain complexities of moving bulky items We expect increasing adoption of end-to-end B2B ecommerce marketplaces by manufacturers and resellers globally as they compete against large ecommerce platforms in today's digital retail economy

The U S B2B market is estimated at $14 8 trillion nearly three times the size of the U S retail sales market and is currently underpenetrated by ecommerce According to Frost and Sullivan ecommerce penetration for U S B2B sales is estimated at 9 0% lagging U S retail sales penetration of 14 3% indicating substantial room for long-term growth Frost and Sullivan estimates that U S B2B ecommerce sales has reached $1 3 trillion in 2020 and it is expected to grow at a compound annual growth rate or CAGR of 10 7% from 2020 to 2025 reaching $2 2 trillion



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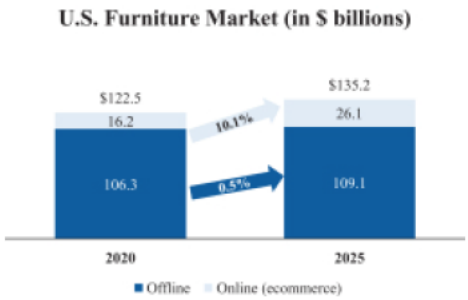
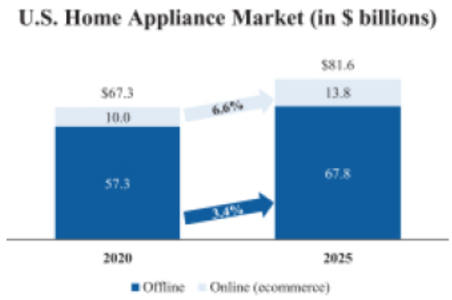
Benefiting from the proliferation of the internet and smart phones consumers are increasingly making purchase decisions online Today's ecommerce platforms offer consumers a wide selection of products shopping schedule flexibility multiple payment options and speedy delivery services unmatched by brick-and-mortar stores In the core large parcel categories including furnitu e and home appliance COVID-19 has accelerated the trend of consumers purchasing products online as consumers a e furnishing their apartments and homes to better serve their work-at-home and play-at-home needs We expect this trend to continue in the coming years as remote working arrangements have become increasingly common Frost and Sullivan estimates online sales for furniture and home appliance have reached $16 2 billion and $10 0 billion in 2020 respectively and they are expected to grow at a CAGR of 10 1% and 6 6% to $26 1 billion and $13 8 billion from 2020 to 2025 respectively





In today's digital retail economy B2B ecommerce marketplaces play a critical role in leveling the playing field between small to medium-sized retailers and large ecommerce platforms To win customers resellers not only compete on product quality and price but also on selection delivery speed and customer service Delivering on all of these criteria is especially challenging in the large parcel market given the difficulties of moving bulky items Small to medium-sized resellers often lack the resources to invest in their own supply chains and therefore tend to st uggle to compete against well capitalized large ecommerce platfo ms

B2B ecommerce marketplaces offer low-cost end-to-end supply chain solutions so that resellers can focus on growing sales without needing to create their own supply chains We believe B2B marketplaces will become an increasingly important part of the digital retail economy

Our Strengths

We believe that the following components contribute to our success and differentiate us from our competitors:

- Pioneering cross-border B2B ecommerce marketplace for the la ge parcel market;
- Compelling value proposition to both sellers and buyers enhanced by network effects;
- Industry-leading supply chain capabilities;
- Our technology system;
- Data intelligence powered by AI; and
- Experienced and innovative team

Our Strategies

We intend to pursue the following growth strategies:

- Grow and diversify seller base and SKUs;
- Grow buyer base and engagement;
- Expand product offerings; and
- Expand geographic coverage

Corporate History and Structure

On August 29 2006 we incorporated Oriental Standard Human Resources Holdings Limited our holding company as a limited liability company in the Cayman Islands We began our ecommerce business in Japan in 2010 through our wholly-owned subsidiary Oriental Standard Japan Co Ltd We expanded to the U K in 2013 through our consolidated VIE B T M TRAVEL AND TRADING LTD and further expanded to the U S through our acquisition of COMPTREE INC in 2014 COMPTREE INC was renamed as GIGACLOUD TECHNOLOGY (USA) INC in July 2021 In January 2019 we launched our ecommerce platform GigaCloud Marketplace through our Hong Kong Subsidiary GigaCloud Technology (HongKong) Limited (formerly known as Giga Cloud Logistics (Hong Kong) Limited) As our marketplace and our ecommerce business continue to grow we believe it is important to have a name for our holding company that is more representative of our businesses Effective February 28 2021 our holding company's name is changed from Oriental Standard Human Resources Holdings Limited to GigaCloud Technology Inc

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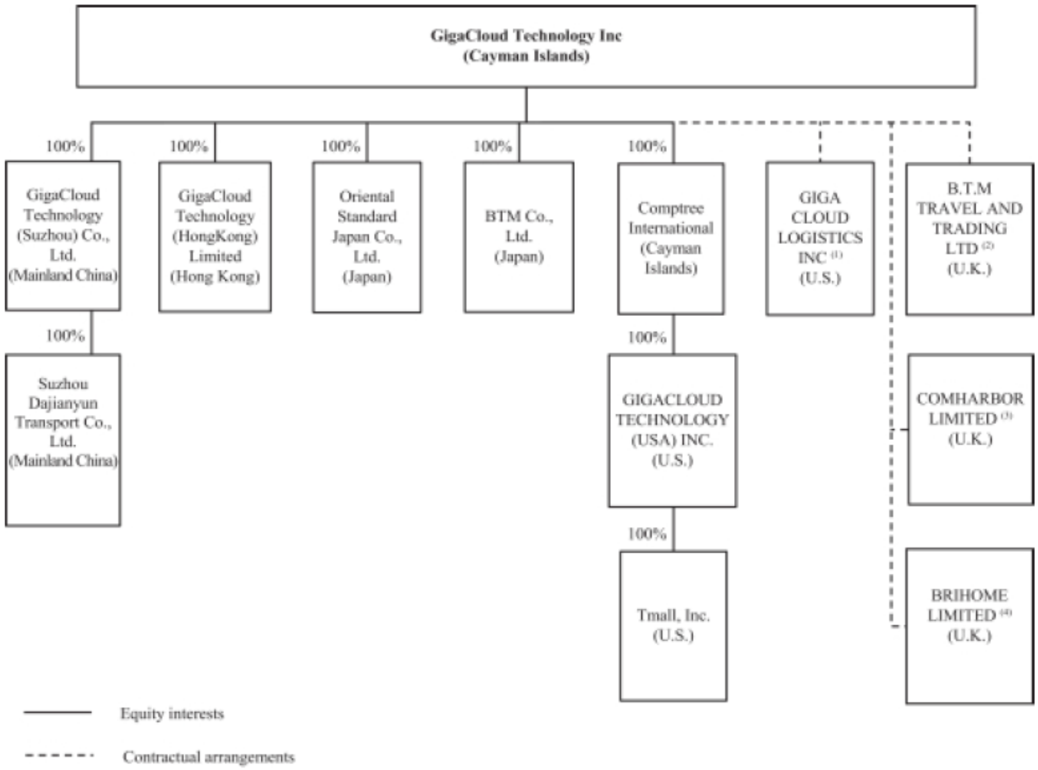
The chart below shows our corporate structure and identifies our principal subsidiaries and principal consolidated VIEs described above as of the date of this prospectus:



(1) GIGA CLOUD LOGISTICS INC, our principal consolidated VIE, is wholly owned by Mr Kunming Xu, our employee

(2) B T M TRAVEL AND TRADING LTD, our principal consolidated VIE, is wholly owned by Mr Wenbo Dou, our employee

(3) COMHARBOR LIMITED, our principal consolidated VIE, is wholly owned by Mr Wenjun Chang, our employee

(4) BRIHOME LIMITED, our principal consolidated VIE, is wholly owned by Mr Yaoxuan Wang, our employee

In 2013 2017 and 2018 GigaCloud Technology Inc (formerly known as Oriental Standard Human Resources Holdings Limited) our holding company and an exempted company with limited liability incorporated in the Cayman Islands entered into a series of control agreements with our consolidated VIEs and their respective shareholders including our four principal consolidated VIEs established and operating in the U S and the U K namely GIGA CLOUD LOGISTICS INC B T M TRAVEL AND TRADING LTD COMHARBOR LIMITED and BRIHOME LIMITED We entered into contractual arrangements with our principal consolidated VIEs because we needed to expeditiously set up our business in overseas market with minimized administrative constraints to capture market opportunities In certain instances the contractual arrangements provided us with potentially the flexibility to conduct business activities that could be subjected to restrictions on foreign investment For example the PRC government had imposed foreign ownership restriction and the licensing and permit requirements for companies in the industry of telecommunications service and we had a consolidated VIE set up initially in mainland China from 2018 to 2020 To our knowledge our subsidiaries and consolidated VIEs are not conducting business activities that are subject to restrictions on foreign

investment We launched our GigaCloud Marketplace under our Hong Kong Subsidiary GigaCloud Technology (HongKong) Limited (fo merly known as Giga Cloud Logistics (Hong Kong) Limited) in 2019 As our business scale in the overseas markets continued to grow and in anticipation of this offering we began to restructure our non-principal VIEs into wholly-owned subsidiaries From 2018 to 2020 we had one consolidated VIE in mainland China namely Suzhou GigaCloud and in February 2021 we entered into a termination agreement with Suzhou GigaCloud to terminate the control agreement with respect to Suzhou GigaCloud and in February 2021 GigaCloud Technology (Suzhou) Co Ltd (formerly known as Oriental Standard Network Technology (Suzhou) Co Ltd) acquired 100% of the equity interest in Suzhou GigaCloud which then became our indirect wholly-owned subsidiary in mainland China and we do not currently have any VIE in mainland China We intend to continue our corporate restructuring To the extent permissible by applicable laws and without the potential for disruptions to our operations we will obtain direct ownership in all of the VIEs that are currently effective and we intend to complete our corporate restructuring within 12 months after the completion of this offering As of the date of this prospectus we conduct our business operations across 13 subsidiaries and seven consolidated VIEs among those eight of which are our principal subsidiaries and four of which are our principal consolidated VIEs

All of our consolidated VIEs contributed an aggregate of 14 2% 8 4% 10 7% and 9 6% to our total assets as of December 31 2019 2020 and 2021 and March 31 2022 respectively All of our consolidated VIEs contributed an aggregate of 13 6% 12 9% 11 5% 10 3% and 12 0% to our revenues in 2019 2020 2021 and the three months ended March 31 2021 and 2022 respectively See “Corporate History and Structure—Contractual Arrangements with Our Consolidated VIEs and their Shareholders” and our consolidated financial statements and the related notes included elsewhere in this prospectus

For a more detailed description of our corporate history and structure see “Corporate History and Structure ” For a detailed description of the risks associated with our corporate structure and the contractual arrangements that support our corporate structure see “Risk Factors—Risks Related to Our Corporate Structure ”

Summary of Risk Factors

An investment in our Class A ordinary shares is subject to a number of risks including risks related to our business and industry risks related to our corporate structure risks related to doing business in China and risks related to our Class A ordinary shares and this offering You should carefully consider all of the information in this prospectus before making an investment in our Class A ordinary shares The following list summarizes some but not all of these risks Please read the information in the section entitled “Risk Factors” for a more thorough description of these and other risks

Risks Related to Our Business and Industry

- Uncertainties in economic conditions and their impact on the ecommerce industry particularly for large parcel merchandise could adversely impact our operating results
- Our historical growth rates and performance may not be sustainable or indicative of our future growth and financial results We cannot guarantee that we will be able to maintain the growth rate we have experienced to date
- System interruptions that impair access to our GigaCloud Marketplace or other performance failures in our technology infrastructure could damage our reputation and results of operations
- Our international operations are subject to a variety of legal regulatory political and economic risks

- If we fail to maintain and expand our relationships with third-party platforms and sellers and buyers in our marketplace our revenues and results of operations will be harmed

- Risks associated with the manufacturers of the products we sell as our own inventory could materially adversely a fect our financial performance as well as our reputation and brand

- If we fail to manage our inventory effectively our results of operations financial condition and liquidity may be materially and adversely affected

- We depend on our relationships with third-parties including third-party carriers and changes in our relationships with these parties could adversely impact our revenues and profits

- We may not be successful in optimizing our warehouses and fulfillment network

- Damage to our brand image could have a material adverse effect on our growth strategy and our business financial condition results of operations and prospects

- Our efforts to launch new products or services may not be successful

- The COVID-19 pandemic could materially and adversely impact our business

Risks Related to Our Corporate Structure

- We rely on contractual arrangements with our consolidated VIEs and their shareholders for a portion of our business operations These arrangements may not be as effective as direct ownership in providing operational control

- Our strategic decision to enter into contractual arrangements with our consolidated VIEs and their shareholders may subject the beneficiaries of the consolidated VIEs to greater uncertainty as to the legality of their share ownership

- Any failure by our consolidated VIEs or their shareholders to perform their obligations under such contractual arrangements would have a material and adverse effect on our business

- We may lose the ability to use or otherwise benefit from the assets held or the services provided by our consolidated VIEs which could severely disrupt our business render us unable to conduct some or all of our business operations and constrain our growth

- You may face difficulties in protecting your interests and your ability to protect your rights through U S courts may be limited because we are incorporated under Cayman Islands law

Risks Related to Doing Business in China

- See “Risk Factors—Risks Related to Doing Business in China—We could be adversely affected by political tensions between the U S and the PRC ”

- See “Risk Factors—Risks Related to Doing Business in China—Changes in the political and economic policies of the PRC government may materially and adversely affect our business financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies ”

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- There are uncertainties regarding the PRC legal system including risks and uncertainties regarding the enforcement of laws as well as the PRC's extension of authority into Hong Kong and that rules and regulations in the PRC can change quickly with little advance notice The PRC has not developed a fully integrated legal system and recently enacted laws rules and regulations may not sufficiently cover all aspects of economic activities in the PRC or may be subject to significant degrees of interpretation by PRC regulatory agencies Because the PRC laws rules and regulations often give the relevant regulator significant discretion in how to enforce them the interpretation and enforcement of these laws rules and regulations involve uncertainties and can be inconsistent and unpredictable See "Risk Factors—Risks Related to Doing Business in China—There are uncertainties regarding the PRC legal system "

- See "Risk Factors—Risks Related to Doing Business in China—The PRC government may exert more control over offerings conducted overseas and/or foreign investment in mainland China- and Hong Kong-based issuers may exercise significant oversight and discretion over a company's ability to conduct business in mainland China and Hong Kong and may intervene in or influence our operations at any time which could result in a material change in our operations and/or the value of the securities we are registering for sale "

- We operate our GigaCloud Marketplace through our Hong Kong Subsidiary If the PRC government were to extend its oversight into companies in Hong Kong, our Hong Kong Subsidiary may be subject to additional regulations which could have a material effect on our business operations In light of recent statements and regulatory actions by the PRC government related to the PRC's extension of authority into Hong Kong there is risk that the PRC government may intervene or influence our operations in Hong Kong, as our operations in Hong Kong are subject to political and economic influence from the PRC government Our Hong Kong Subsidiary may be subject to direct intervention or influence from the PRC government in the future due to changes in laws or other unforeseeable reasons If our Hong Kong Subsidiary were to become subject to direct intervention or influence of the PRC government our Hong Kong Subsidiary may be required to obtain licenses for the operation of our ecommerce platform GigaCloud Marketplace and be subject to regulations restricting or prohibiting foreign ownership Such risks could impact our ability to conduct our business accept foreign investments or list on a U S or other foreign exchange result in a material change in our operations and/or the value of our Class A ordinary shares or could significantly limit or completely hinder our ability to o fer or continue to offer Class A ordinary shares and/or other securities to investors and cause the value of the securities we are registering for sale to significantly decline or be worthless See "Risk Factors—Risks Related to Doing Business in China—We operate our GigaCloud Marketplace through our Hong Kong Subsidiary If the PRC government were to extend its oversight into companies in Hong Kong, our Hong Kong Subsidiary may be subject to additional regulations which could have a material effect on our business operations "

- See "Risk Factors—Risks Related to Doing Business in China—Implementation of the Law of the PRC on Safeguarding National Security in Hong Kong involves uncertainty and the recent policy pronouncements by the PRC government regarding business activities of U S -listed PRC businesses may negatively impact GigaCloud Group's existing and future operations in Hong Kong "

- See "Risk Factors—Risks Related to Doing Business in China—The approval or other administration requirements of the China Securities Regulatory Commission or the CSRC or other PRC governmental authorities may be required in connection with this o fering under a PRC regulation or any new laws rules or regulations to be enacted and if required we cannot assure you

that we will be able to obtain such approval The regulation also establishes more complex procedures for acquisitions conducted by foreign investors that could make it more difficult for us to grow through acquisitions ”

- See “Risk Factors—Risks Related to Doing Business in China—The CSRC has released for public consultation the draft rules for companies based in China seeking to conduct initial public offerings in overseas markets While such rules have not yet been adopted the PRC government may exert more oversight and control over offerings that are conducted overseas and foreign investment in issuers based in mainland China and Hong Kong which could significantly limit or completely hinder our ability to o fer or continue to offer our ordinary shares to investors and could cause the value of our ordinary shares to significantly decline or become worthless ”

- See “Risk Factors—Risks Related to Doing Business in China—Recent litigation and negative publicity surrounding companies listed in the U S with operations in the PRC may result in increased regulatory scrutiny of us and negatively impact the trading price of our Class A ordinary shares ”

- We are a holding company and we conduct our operations through our principal subsidiaries and principal consolidated VIEs Our corporate structure and having operations in Hong Kong and mainland China involve liquidity risks to investors as our ability to use the proceeds from this offering to make loans or additional capital contributions to our PRC Subsidiaries and Hong Kong Subsidiary may be restricted See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investments in PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC Subsidiaries which could materially and adversely affect our liquidity and our ability to fund and expand our business ”

- To the extent cash is generated in our PRC Subsidiaries and may need to be used to fund operations outside of mainland China such funds may not be available due to limitations placed by the PRC government Furthermore to the extent assets (other than cash) in our business are located in the PRC or held by a PRC entity the assets may not be available to fund operations or for other use outside of the PRC due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer assets by the PRC government If certain PRC laws and regulations including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong Subsidiary in the future and to the extent cash is generated in our Hong Kong Subsidiary and to the extent assets (other than cash) in our business are located in Hong Kong or held by a Hong Kong entity and may need to be used to fund operations outside of Hong Kong, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC government Furthermore there can be no assurance that the PRC government will not intervene or impose restrictions or limitations on GigaCloud Group’s ability to transfer or distribute cash within its o ganization which could result in an inability or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong and adversely affect its business See “Risk Factors—Risks Related to Doing Business in China—Governmental control of currency conversion may limit our ability to utilize our revenues transfer or distribute cash within our group effectively and affect the value of your investment ”

Risks Related to Our Class A Ordinary Shares and this Offering

- An active liquid and orderly market for our Class A ordinary shares may not develop and you may not be able to resell the shares at or above the public offering price

- The trading price of our Class A ordinary shares could be highly volatile and purchasers of our Class A ordinary shares could incur substantial losses

- As a foreign private issuer we are not subject to certain U S securities law disclosure requirements that apply to a domestic U S issuer which may limit the information publicly available to our shareholders

- Our Class A ordinary shares may be delisted under the HFCA Act if the PCAOB is unable to inspect auditors who are located in China and if we fail to implement measures to enable PCAOB's inspection of our auditor The delisting of our Class A ordinary shares or the threat of their being delisted may materially and adversely affect the value of your investment Additionally the inability of the PCAOB to conduct inspections deprives our investors of the benefits of such inspections Since our auditor is located in China a jurisdiction where the PCAOB has been unable to conduct inspections without the approval of the Chinese authorities our auditor is currently not inspected by the PCAOB

- Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares may view as beneficial

- Our dual-class voting structure may render our Class A ordinary shares ineligible for inclusion in certain stock market indices and thus adversely affect the trading price and liquidity of our Class A ordinary shares

Recent Regulatory Development

Cybersecurity Measures and Potential CSRC Filing For Overseas Listing

On July 10 2021 the CAC issued a revised draft of the Measures for Cybersecurity Review for public comments which required that in addition to "operator of critical information infrastructure " any "data processor" carrying out data processing activities that a fect or may affect national security should also be subject to cybersecurity review and further elaborated the factors to be considered when assessing the national security risks of the relevant activities According to the revised draft Measures for Cybersecurity Review any data processor who possesses of personal information of more than one million users must apply for a cybersecurity review if it seeks a listing in a foreign country On December 28 2021 the Measures for Cybersecurity Review (2021 Version) were p omulgated which has become effective on February 15 2022 and simultaneously replaced the Measures for Cybersecurity Review (2020 Version) in whole Compared with the Measures for Cybersecurity Review (2020 Version) the Measures for Cybersecurity Review (2021 Version) expanded the applicable scope of cybersecurity review which consistent with the revised draft further iterates that any "network platform operators" carrying out data processing activities that affect or may affect national security should be subject to cybersecurity review and any network platform operator possessing personal information of more than one million users which seeks to list in a foreign stock exchange should also be subject to cybersecurity review On November 14 2021 the CAC published the Regulations on Network Data Security Protection (Draft for Comments) for public comments which reiterated that data processors that process personal information of more than one million users listing in a foreign country should apply for a cybersecurity review Due to the uncertainties in the interpretation of data processing activities that a fect or may a fect national security in July 2021 we made an inquiry with the relevant local branch of the CAC regarding the interpretation of the revised draft Measures for Cybersecurity Review after the revised draft of the Measures for Cybersecurity Review was released and in March 2022 after the Measures for Cybersecurity Review (2021 Version) came into effect we made another inquiry with the China Cybersecurity Review Technology and Certification Center or

the CCRC regarding the interpretation of the Measures for Cybersecurity Review (2021 Version) Based on the description regarding our business operations and our marketplace both the relevant local authority and the CCRC concurred with us that we are not required to go through a cybersecurity review with the CAC because (i) our GigaCloud Marketplace is operated in Hong Kong under our Hong Kong Subsidiary with under one million users and (ii) our GigaCloud Marketplace is a B2B ecommerce platform and any data we collected on our sellers and buyers are limited without any personal information Based on the foregoing and also the advice of our PRC legal counsel Han Kun Law Offices we believe we including our PRC Subsidiaries and our Hong Kong Subsidiary are currently not required to go through a cybersecurity review with the CAC as of the date hereof As of the date of this prospectus we have also not been involved in any investigations on cybersecurity or data security initiated by related governmental regulatory authorities and we have not received any inquiry notice warning or sanction in such respect However as the Measures for Cybersecurity Review (2021 Version) were newly adopted and the Regulations on Network Data Security Protection (Draft for Comments) have not been adopted there remains uncertainty in the interpretation and enforcement of such PRC cybersecurity laws and regulations Thus we cannot assure you that we would not be subject to cybersecurity review requirement and if so that we would be able to pass such review in relation to this offering Furthermore we cannot guarantee that the relevant authority that we have inquired will be the authorized regulatory body to make a determination that we are not subject to the requirement of cybersecurity review If any interpretation or implementation rules of the relevant PRC cybersecurity laws and regulations in future provide that certain other PRC regulatory body shall be authorized to make the final decision on cybersecurity review there can be no assurance that the authorized PRC regulatory body would reach the same conclusion as the authority we have inquired If the authorized PRC regulatory body subsequently determines that we are required to go through such cybersecurity review or if any other PRC government authorities promulgates any interp etation or implementation rules before our listing that would require us to go through a cybersecurity review for this o fering we may fail to complete such cybersecurity review procedures in a timely manner or at all Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with the related laws and regulations may result in fines or other penalties including suspension of business and website closure as well as reputational damage or legal proceedings or actions against us which may have material adverse effect on our business financial condition or results of operations

Furthermore, on December 24 2021 the China Securities Regulatory Commission or the CSRC released the Administrative Provisions of the State Council Regarding the Overseas Issuance and Listing of Securities by Domestic Enterprises (Draft for Comments) and the Administrative Measures for the Record-filing of Overseas Issuance and Listing of Securities by Domestic Enterprises (Draft for Comments) (collectively the “Draft Overseas Listing Rules”) for public comments according to which any direct or indirect offshore listing of domestic enterprises shall be filed with the CSRC As none of our PRC Subsidiaries is the issuer of the securities we are registering listing and offering in this offering our PRC Subsidiaries are not “directly” offering and listing securities on an overseas market The Draft Overseas Listing Rules stipulate that the determination as to whether a domestic company is indirectly offering and listing securities in an overseas market shall be made on a substance-over-form basis and if an issuer meets the following conditions its overseas offering and listing shall be determined as an “indirect overseas o fering and listing by a domestic enterprise”: (i) the operating revenue total profits total assets or net assets of the domestic enterprise in the most recent accounting year account for more than 50% of the corresponding figure in the issuer’s audited consolidated financial statements for the same period; (ii) most of the senior managers in charge of business operation and management are Chinese citizens or have habitual residences in mainland China the principal operation premises are located in mainland China or the operation activities are mostly conducted in mainland China Under such circumstance the issuer shall fulfill the filing procedures within three working days after the issuer makes an application for initial public offering and listing in an overseas market According to Relevant Officials of the CSRC Answered Reporter Questions on December 24 2021 or the CSRC Answers after the Draft Overseas Listing Rules are implemented upon completion of public consultation and due legislative procedures the CSRC will formulate and issue guidance for filing procedures to further specify the details of filing administration and ensure that

market entities could refer to clear guidelines for filing, which means it still takes time for the Draft Overseas Listing Rules come into effect

As advised by our PRC legal counsel based on its understanding of the Draft Overseas Listing Rules and the confirmation by us that (i) none of the operating revenue total profits total assets and net assets of our PRC Subsidiaries in the most recent accounting year accounted for more than 50% of the corresponding figure in our audited consolidated financial statements for the same period; and (ii) most of the senior managers in charge of business operation and management are not Chinese citizens or do not have habitual residences in mainland China (only one of the three executive officers is a PRC citizen and none of three executive o ficers have habitual residence located in mainland China) the principal operation premises are not located in mainland China and the operation activities are not mostly conducted in mainland China as our PRC Subsidiaries perform cost functions and internal operational functions our PRC Subsidiaries do not generate revenue in mainland China and all of our warehouses were located outside of the PRC we believe that we including our PRC Subsidiaries and our Hong Kong Subsidiary will not be required to make a filing with the CSRC for this offering and listing under the Draft Overseas Listing Rules if the Draft Overseas Listing Rules have been enacted before the completion of this offering and listing as they are currently released for comments However as the Draft Overseas Listing Rules have not been adopted there remains uncertainty in the final form of and the enforcement of such overseas listing rules and there can be no assurance that the relevant PRC governmental authorities including the CSRC would reach the same conclusion as us or our PRC legal counsel or that the CSRC or any other PRC governmental authorities would not promulgate new rules or new interpretation of current rules to require us to obtain CSRC or other PRC governmental approvals for this offering Furthermore according to CSRC Answers new initial public offerings and refinancing by existent overseas listed Chinese companies will firstly be required to go through the filing process; other existent overseas listed companies will be allowed sufficient transition period to complete their filing procedure which means if we complete this offering prior to the effectiveness of the Draft Overseas Listing Rules we may still be required to complete the filing process in the future or be subject to additional compliance requirements in the future

If the final form of the Draft Overseas Listing Rules is enacted before the completion of this offering and the CSRC requires that we complete the filing procedure the offering will be delayed until we have completed the CSRC filing procedure which may take several months or longer There is also the possibility that we may not be able to complete or maintain such filing or that we inadvertently concluded that such filing was not required If CSRC filing was required as a prerequisite for this offering while we inadvertently concluded that such filing was not required or if applicable laws and regulations or the interpretation of such were modified to require us to obtain the CSRC filing in the future we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory authorities Furthermore if certain PRC laws and regulations including existing laws and regulations and those enacted or promulgated in the future (such as the Draft Overseas Listing Rules) were to become applicable to our Hong Kong Subsidiary in the future the application of such laws and regulations may have a material adverse impact on our business operations in Hong Kong These authorities may impose fines and penalties upon our operations in mainland China and Hong Kong delay or restrict the repatriation of the proceeds from this o fering into mainland China and Hong Kong, and any failure of us to fully comply with such new regulatory requirements may significantly limit or completely hinder our ability to offer or continue to offer our ordinary shares cause significant disruption to our business operations and severely damage our reputation which would materially and adversely affect our financial condition and results of operations and cause our ordinary shares to significantly decline in value or become worthless The CSRC or other PRC regulatory agencies may also take actions requiring us or making it advisable for us to terminate this offering prior to the closing

In addition the National Development and Reform Commission or NDRC and China’s Ministry of Commerce or MOFCOM promulgated the Measures for the Security Review of Foreign Investments effective from January 18 2021 which require foreign investors or relevant domestic parties to file a prior report before

making a foreign investment if such investment involves among others military related industry national defense security or taking control of an enterprise in a key industry that concerns national security and if a foreign investment will or may a fect national security the relevant party shall report to the standing working o fice organized by NDRC and MOFCOM for their decision of whether to conduct security review Based on the advice of our PRC legal counsel Han Kun Law Offices based on its understanding of the current PRC laws and regulations we believe that we our PRC Subsidiaries and our Hong Kong Subsidiary are currently not subject to such record-filing requirements with the NDRC and MOFCOM under the Measures for the Security Review of Foreign Investment because we including our PRC Subsidiaries and our Hong Kong Subsidiary do not and will not have foreign investments that involve military related industry national defense security or taking control of an enterprise in a key industry that concerns national security

Pursuant to the Basic Law of the Hong Kong Special Administrative Region or the Basic Law which is a national law of the PRC and the constitutional document for Hong Kong, national laws of the PRC shall not be applied in Hong Kong except for those listed in Annex III of the Basic Law (which shall be confined to laws relating to defense and foreign a fairs as well as other matters outside the autonomy of Hong Kong) Whilst the National People's Congress of the PRC or the NPC has the power to amend the Basic Law the Basic Law also expressly provides that no amendment to the Basic Law shall contravene the established basic policies of the PRC regarding Hong Kong As a result national laws of the PRC not listed in Annex III of the Basic Law including the PRC Data Security Law The Measures for Cybersecurity Review (2021 Version) and the Regulations on Network Data Security Protection (Draft for Comments) do not apply to our businesses in Hong Kong

On August 8 2006 six PRC regulatory agencies including MOFCOM the State-Owned Assets Supervision and Administration Commission the State Administration of Taxation or SAT the State Administration for Industry and Commerce currently known as the SAMR the CSRC and the State Administration of Foreign Exchange or the SAFE jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors or the M&A Rules which came into effect on September 8 2006 and were amended on June 22 2009 The M&A Rules include among other things provisions that purport to require that an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities through acquisitions of PRC domestic companies or assets to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange On September 21 2006 the CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles However substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles

We believe based on the advice of our PRC legal counsel Han Kun Law O fices based on its understanding of the current PRC laws and regulations that the CSRC approval under the M&A Rules is not required in the context of this offering because the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings such as this o fering contemplated by our company are subject to the M&A Rules and our wholly owned PRC Subsidiary GigaCloud Technology (Suzhou) Co Ltd was established by foreign direct investment rather than through a merger or acquisition of a domestic company as defined under the M&A Rules However we have also been advised by our PRC legal counsel that there are uncertainties regarding the interpretation and application of the PRC law and there can be no assurance that the relevant PRC government agencies including the CSRC would reach the same conclusion as our PRC legal counsel If the CSRC or any other PRC regulatory body subsequently determines that we need to obtain the CSRC's approval or any other regulatory approval for this offering or if the CSRC or any other PRC government authorities promulgates any new laws rules regulations or any interpretation or implementation rules before our listing that would require us to obtain CSRC or other governmental approvals for this offering, we may face adverse actions or sanctions by the CSRC or other PRC regulatory agencies for failure to seek approval for this offering

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Based on the above (including our PRC legal counsel’s advice as stated above) as of the date of this prospectus except as otherwise disclosed in this prospectus we believe that we including our PRC Subsidiaries and our Hong Kong Subsidiary (i) are not required to submit an application to the CAC CSRC or any other PRC authorities for the approval of this offering and to issue our ordinary shares to foreign investors (ii) are not covered by permission requirements from the CSRC’s M&A rules CAC or other PRC authorities for the approval of this offering, (iii) have obtained all material requisite licenses and approvals necessary to operate in mainland China and Hong Kong, respectively and no such licenses and approvals have been denied and (iv) have not received any inquiry or notice or any objection to this offering from the CAC the CSRC or any other PRC authorities that have jurisdiction over our operations in mainland China and Hong Kong However it is uncertain how PRC governmental authorities will regulate overseas listing in general and whether we are required to obtain any specific regulatory approvals or to fulfill any record-filing requirements For example recently the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council recently jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law which was made available to the public on July 6 2021 or the Opinions on Strictly Cracking Down on Illegal Securities Activities The Opinions on Strictly Cracking Down on Illegal Securities Activities emphasized the need to strengthen the administration over illegal securities activities and the need to strengthen the supervision over overseas listings by Chinese companies Effective measures such as promoting the construction of relevant regulatory systems will be taken to deal with the risks and incidents of companies with operations in the PRC and cybersecurity and data privacy protection requirements and similar matters The Opinions on Strictly Cracking Down on Illegal Securities Activities and any related implementing rules to be enacted may subject us to compliance requirement in the future Given the current regulatory environment in the PRC we are still subject to the uncertainty of interpretation and enforcement of the rules and regulations in the PRC which can change quickly with little advance notice and any future actions of the PRC authorities could result in a material change in our operations significantly limit or completely hinder our ability to offer or continue to o fer securities to investors and cause the value of the securities we are registering for sale to significantly decline or in extreme cases become worthless It is uncertain when and whether the Company will be required to obtain permission from the PRC government to list on U S exchanges and even if such permission is obtained whether it will be denied or rescinded As a result our operations could be adversely affected directly or indirectly by existing or future laws and regulations relating to our business or industry Furthermore if we including our PRC Subsidiaries and Hong Kong Subsidiary (i) do not receive or maintain any required approvals or record-filing or (ii) inadvertently conclude that approvals or record-filing are not required or (iii) if the CAC the CSRC or other regulatory agencies promulgate new rules explanations or interpretations requiring that we shall obtain their prior approvals or ex-post record-filing for this offering and any follow-on offering in the future we may be unable to obtain such approvals and record-filing timely or at all which could significantly limit or completely hinder our ability to offer or continue to offer our ordinary shares to investors and could cause the value of our ordinary shares to significantly decline or become worthless See “Risk Factors—Risks Related to Doing Business in China—The approval or other administration requirements of the China Securities Regulatory Commission or the CSRC or other PRC governmental authorities may be required in connection with this offering under a PRC regulation or any new laws rules or regulations to be enacted and if required we cannot assure you that we will be able to obtain such approval The regulation also establishes more complex procedures for acquisitions conducted by foreign investors that could make it more difficult for us to grow through acquisitions ” “Risk Factors—Risks Related to Doing Business in China—The CSRC has released for public consultation the draft rules for companies based in China seeking to conduct initial public offerings in overseas markets While such rules have not yet been adopted the PRC government may exert more oversight and control over offerings that are conducted overseas and foreign investment in issuers based in mainland China and Hong Kong, which could significantly limit or completely hinder our ability to o fer or continue to offer our ordinary shares to investors and could cause the value of our ordinary shares to significantly decline or become worthless” and “Risk Factors—Risks Related to Our Business and Industry—We are subject to stringent and changing privacy laws regulations and standards as well as contractual obligations related to data privacy and security Our actual or perceived failure to comply with such

obligations could harm our reputation subject us to significant fines and liability or otherwise adversely affect our business or prospects ”

Holding Foreign Companies Accountable Act

On December 2 2021 the SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the HFCA Act The rules apply to registrants the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate or the Commission-Identified Issuers The final amendments require Commission-Identified Issuers to submit documentation to the SEC establishing that it is not owned or controlled by a governmental entity in the public accounting firm’s foreign jurisdiction

Furthermore, on June 22 2021 the U S Senate passed the Accelerating Holding Foreign Companies Accountable Act which if enacted into law would amend the HFCA Act and require the SEC to prohibit an issuer’s securities from trading on U S stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive “non-inspection” years instead of three and therefore reducing the time before our securities may be prohibited from trading on the Nasdaq or other U S stock exchanges and this ultimately could result in our Class A ordinary shares being delisted On September 22 2021 the PCAOB adopted a final rule implementing the HFCA Act which provides a framework for the PCAOB to use when determining as contemplated under the HFCA Act whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction On December 16 2021 the PCAOB issued a report on its determinations that the PCAOB is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong because of positions taken by PRC authorities in these jurisdictions The PCAOB included in its report a list of registered public accounting firms headquartered in mainland China and Hong Kong that the PCAOB is unable to inspect or investigate completely including our auditor KPMG Huazhen LLP

We may take measures to enable PCAOB’s inspection of our auditor Given that we have operations in the U S we may in the future maintain our accounting books and records in the U S and if required by the HFCA Act the PCAOB or the SEC we shall in the future but shall in no event later than after being identified as a Commission-Identified Issuer for three consecutive years change our auditor to an independent registered public accounting firm located in the U S subject to the PCAOB’s inspection in order to maintain the listing of our Class A ordinary shares We may incur additional costs in connection with such change and we cannot assure you that we could do so in a timely manner if at all If we fail to implement measures to comply with the HFCA Act and the uncertainty surrounding the possible new rule and regulations regarding the implementation of the HFCA Act remains such uncertainty could cause the market price of our Class A ordinary shares to be materially and adversely a fected and our securities could be delisted or prohibited from being traded “over-the-counter” earlier than would be required by the HFCA Act If our securities are unable to be listed on another securities exchange by then such a delisting would substantially impair your ability to sell or purchase our Class A ordinary shares when you wish to do so and the risk and uncertainty associated with a potential delisting would have a negative impact on the price of our Class A ordinary shares See “Risk Factors—Risks Related to our Class A ordinary shares—Our Class A ordinary shares may be delisted under the HFCA Act if the PCAOB is unable to inspect auditors who are located in China and if we fail to implement measures to enable PCAOB’s inspection of our auditor The delisting of our Class A ordinary shares or the threat of their being delisted may materially and adversely affect the value of your investment Additionally the inability of the PCAOB to conduct inspections deprives our investors of the benefits of such inspections ”

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Implications of Being an Emerging Growth Company

As a company with less than $1 07 billion in revenue during our last fiscal year we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 as amended or the JOBS Act As long as we remain an emerging growth company we may rely on exemptions from some of the reporting requirements applicable to public companies that are not emerging growth companies These exemptions include:

- being permitted to provide only two years of selected financial data (rather than five years) and only two years of audited financial statements (rather than three years) in addition to any required unaudited interim financial statements with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure;
- not being required to comply with the auditor attestation requirements of the Sarbanes-Oxley Act of 2002 in the assessment of our internal control over financial reporting; and
- not being required to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards

We have taken and may continue to take advantage of some of these exemptions until we are no longer an emerging growth company We will not “opt out” of such exemptions a forded to an emerging growth company

We will remain an emerging growth company until the earliest of:

- the last day of our fiscal year during which we have total annual gross revenues of at least $1 07 billion;
- the last day of our fiscal year following the fifth anniversary of the completion of this offering;
- the date on which we have during the previous three year period issued more than $1 00 billion in non-convertible debt; or
- the date on which we become a “large accelerated filer” under the U S Securities Exchange Act of 1934 as amended or the Exchange Act which would occur if the market value of our Class A ordinary shares held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter

We will not be entitled to the above exemptions if we cease to be an emerging growth company

Implications of Being a Foreign Private Issuer

We are a foreign private issuer within the meaning of the rules under the Exchange Act and as such we are exempt under the Exchange Act from among other things the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC the rules prescribing the furnishing and content of proxy statements and our executive officers directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act In addition we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U S companies whose securities are registered under the Exchange Act We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year

and we intend to publish our results on a quarterly basis However the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U S domestic issuers

In addition as a company incorporated in the Cayman Islands we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq corporate governance listing standards These practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq corporate governance listing standards Currently we do not plan to rely on home country practices with respect to our corporate governance after we complete this offering

Implications of Being a Controlled Company

Immediately prior to the completion of this offering, our outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares Mr Larry Lei Wu our chairman of board of directors and chief executive officer will beneficially own all of our issued Class B ordinary shares and will be able to exercise approximately 75 1% of the total voting power of our issued and outstanding share capital immediately following the completion of this o fering Holders of Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights Each Class A ordinary share will be entitled to one vote and each Class B ordinary share will be entitled to ten votes Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders except as may otherwise be required by law Each Class B ordinary share will be convertible into Class A ordinary share Class A ordinary shares will not be convertible into Class B ordinary shares under any circumstances

As a result upon the completion of this offering we will be a "controlled company" as defined under the Nasdaq Stock Market Listing Rules because Mr Larry Lei Wu our chairman of board of directors and chief executive o ficer will hold more than 50% of the voting power for the election of directors through TALENT BOOM GROUP LIMITED and Ji Xiang Hu Tong Holdings Limited the entities controlled by Mr Wu As a "controlled company " we are permitted to elect not to comply with certain corporate governance requirements If we rely on these exemptions you will not have the same protection a forded to shareholders of companies that are subject to these corporate governance requirements

As a result of the dual-class share structure and the concentration of ownership holders of Class B ordinary shares will have considerable influence over matters such as decisions regarding mergers and consolidations election of directors and other significant corporate actions For a detailed description of the risks associated with our dual-class structure see "Risk Factors—Risks Related to Our Class A Ordinary Shares and this Offering—Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares may view as beneficial" and "Risk Factors—Risks Related to Our Class A Ordinary Shares and this Offering—Our dual-class voting structure may render our Class A ordinary shares ineligible for inclusion in certain stock market indices and thus adversely a fect the trading price and liquidity of our Class A ordinary shares "

Corporate Information

Our principal executive offices are located at Unit A 12/F Shun Ho Tower 24-30 Ice House Street Central Hong Kong Our telephone number at this address is +852 2369-8219 Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands

Investors should submit any inquiries to the address and telephone number of our principal executive offices Our corporate website is https://www gigacloudtech com/ The information contained on our website is

not a part of this prospectus Our agent for service of process in the U S is Cogency Global Inc located at 122 East 42nd Street 18th Floor New York NY 10168

Conventions that Apply to this Prospectus

Unless we indicate otherwise references in this prospectus to:

- "Active 3P sellers" means sellers who have sold a product in GigaCloud Marketplace within the last 12-month period irrespective of cancellations or returns;
- "Active buyers" means buyers who have purchased a product in the GigaCloud Marketplace within the last 12-month period irrespective of cancellations or returns;
- "Cayman Islands holding company" are to GigaCloud Technology Inc our Cayman Islands holding company and its predecessor entity;
- "China" and the "PRC" are to the People's Republic of China and "mainland China" are to the People's Republic of China excluding for the purposes of this prospectus only Taiwan the Hong Kong Special Administrative Region and the Macao Special Administrative Region;
- "Class A ordinary shares" or "our Class A ordinary shares" are to the Class A ordinary shares par value $0 05 per share of GigaCloud Technology Inc;
- "Class B ordinary shares" or "our Class B ordinary shares" are to the Class B ordinary shares par value $0 05 per share of GigaCloud Technology Inc;
- "GigaCloud Marketplace GMV" means the total gross merchandise value of transactions ordered through our GigaCloud Marketplace including GigaCloud 3P and GigaCloud 1P before any deductions of value added tax goods and services tax shipping charges paid by buyers to sellers and any refunds;
- "GMV" means the total gross merchandise value of transactions;
- "Hong Kong" are to Hong Kong Special Administrative Region of the People's Republic of China;
- "o f-platform ecommerce" means the sale of our own inventory to and through third-party ecommerce platforms;
- "preferred shares" or "our preferred shares" are to the redeemable convertible preferred shares of $0 05 par value per share of GigaCloud Technology Inc including series A redeemable convertible preferred shares of $0 05 par value per share or "series A preferred shares " series B redeemable convertible preferred shares of $0 05 par value per share or "series B preferred shares " series C redeemable convertible preferred shares of $0 05 par value per share or "series C preferred shares " series D redeemable convertible preferred shares of $0 05 par value per share or "series D preferred shares " and series E redeemable convertible preferred shares or "series E preferred shares " The preferred shares will automatically convert into our o dinary shares and be re-designated as Class A ordinary shares or Class B ordinary shares where applicable immediately prior to the completion of this o fering;
- "RMB" and "Renminbi" are to the legal currency of China;

- “shares ” “our shares” “ordinary shares” or “our ordinary shares” are to the ordinary shares par value $0 05 per share of GigaCloud Technology Inc and upon and after the completion of this offering are to our Class A ordinary shares and Class B ordinary shares par value $0 05 per share;

- “Share Consolidation” means consolidation of every 500 shares of each class with a par value of $0 0001 each in our authorized share capital (including all issued and unissued shares) into one share of the same class with a par value of US$0 05 each which was approved by our board of directors and shareholders in July 2022 and effected in July 2022;

- “SKU” means the stock keeping unit for our inventory;

- “Spend per active buyer” is calculated by dividing the total GigaCloud Marketplace GMV within the last 12-month period by the number of active buyers as of such date;

- “US$ ” “$” and “U S dollars” are to the legal currency of the U S ;

- “VIEs” are to our variable interest entities who entered into account control agreements or control agreements with GigaCloud Technology Inc as detailed in “Corporate History and Structure”; and

- “we ” “us ” “our company ” “our ” “our group” or “GigaCloud Group” refer to GigaCloud Technology Inc our Cayman Islands holding company its predecessor entity together as a group with its subsidiaries and in the context of describing our operations and consolidated financial statements its consolidated VIEs and any subsidiaries of its consolidated VIEs as the context requires

In this prospectus any PRC laws rules regulations statutes notices circulars and court’s judicial interpretation or the like refer to those currently in force published for comments (if specifically stated) or being promulgated but have not come into effect (if specifically stated) and publicly available in mainland China as of the date of this prospectus

Unless the context indicates otherwise all information in this prospectus assumes (i) no exercise by the underwriter of its over-allotment option to purchase additional Class A ordinary shares and (ii) a 1-for-500 Share Consolidation of our ordinary shares approved and effected in July 2022

Restatement of Previously Issued Financial Statements

During the course of preparing the consolidated financial statements as of and for the year ended December 31 2021 we restated previously issued 2019 and 2020 consolidated financial statements and the previously issued unaudited condensed financial statements as of and for the three months ended March 31 2021 to correct errors in the recognition of share-based compensation expenses and the related impact on various line items For more information see Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

We have made ounding adjustments to reach some of the figures included in this prospectus Consequently numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them

THE OFFERING

Offering Price	$12 25 per Class A ordinary share
Class A Ordinary Shares Offered by Us	2 940 000 Class A ordinary share (or 3 381 000 Class A ordinary share if the underwriter exercises the over-allotment option to purchase additional Class A ordinary share in full)
Ordinary Shares Outstanding Immediately After This Offering	30 916 814 Class A ordinary shares (or 31 357 814 Class A ordinary shares if the underwriter exercises the over-allotment option to purchase additional Class A ordinary shares in full) and 9 326 732 Class B ordinary shares
Ordinary Shares	We have adopted a dual-class voting structure that will become effective immediately prior to the completion of this offering Holders of our Class A ordinary shares and holders of our Class B ordinary shares will have the same rights except for voting and conversion rights In respect of matters requiring a shareholders' vote each Class A ordinary share will be entitled to one vote and each Class B ordinary share will be entitled to ten votes Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders except as may otherwise be required by law Each Class B ordinary share will be convertible into one Class A ordinary share at any time by the holder thereof However Class A ordinary shares will not be convertible into Class B ordinary shares at any time under any circumstances
	Upon (i) any sale transfer assignment or disposition of ownership in Class B ordinary shares by a holder thereof to any person or entity that is not our controlling shareholder or an entity that is ultimately controlled by our controlling shareholder or (ii) upon any change in the ultimate beneficial ownership of any Class B ordinary share to a person who is neither our controlling shareholder nor an entity that is ultimately controlled by our controlling shareholder such Class B ordinary shares will automatically and immediately converted into an equal number of Class A ordinary shares without any actions on the part of the transferor or the transferee For further information see "Description of Share Capital "
Over-Allotment Option	We have granted to the underwriter an option exercisable within 45 days from the date of this prospectus to purchase up to an aggregate of 441 000 additional Class A ordinary shares representing 15% of the Class A ordinary shares sold in the offering at the initial public offering price less underwriting discounts and commissions
Use of Proceeds	We estimate that we will receive net proceeds of approximately $29 7 million (or $34 6 million if the underwriter exercises the over-allotment option to purchase additional Class A ordinary shares in full) from this offering based on the initial public offering price of $12 25 per Class A ordinary share after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us

	We anticipate using the net proceeds of this offering primarily for working capital operating expenses capital expenditures and other general corporate purposes including funding potential strategic acquisitions investments and alliances although we do not presently have specific plans and are not currently engaged in any discussions or negotiations with respect to any such transaction See "Use of Proceeds" for more information
Participation in the Offering	Certain entities affiliated with DCM one of our principal shareholders have agreed to purchase and have been allocated by the underwriter an aggregate of 816 300 Class A ordinary shares in this offering at the initial public offering price representing approximately 27 8% of the Class A ordinary shares being offered in this offering, assuming the underwriter does not exercise their over-allotment option
Lock-up	We our directors executive officers and all existing holders of our outstanding ordinary shares have agreed with the underwriter subject to certain exceptions not to sell transfer or otherwise dispose of any ordinary shares or similar securities or any securities convertible into or exchangeable or exercisable for our ordinary shares for a period of 180 days after the date of this prospectus See "Shares Eligible for Future Sale" and "Underwriting " Any ordinary shares subscribed for by the DCM entities in this offering will not be subject to the foregoing lock-up restrictions
Founder's Undertaking	Under an undertaking letter dated July 6 2022 Mr Larry Lei Wu or the Founder together with Ji Xiang Hu Tong Holdings Limited and TALENT BOOM GROUP LIMITED or collectively the Founder Holders have undertaken to our company that: for a period of five years after the closing of this offering, (i) without the prior written consent of our board of directors and at least a majority of the independent directors the Founder Holders will not agree to approve support vote (in favor of or against) or otherwise cause our company to agree to enter into or consummate a privatization transaction as defined in "Description of Share Capital—Ordinary Shares—Conversion " unless the consideration per Class A ordinary share payable to shareholders of the Class A ordinary shares in connection with such privatization transaction is at least equal to the price per Class A ordinary share initially offered to the public in this offering (subject to appropriate adjustment in the event of any stock dividend stock split combination or other similar recapitalization with respect to the Class A ordinary shares) provided for greater clarity if the Founder is serving on the board the Founder may vote in favor of against or abstain from voting on a privatization transaction in the capacity of a director and if such privatization transaction is approved by the board and at least a majority of the independent directors the Founder Holders as shareholders may vote in favor of against or abstain from voting on the privatization transaction; and (ii) upon the first to occur of: (a) the Founder being permanently unable to engage in the business affairs of our company as a result of incapacity solely due to his then physical and/or mental condition

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	(which for the avoidance of doubt does not include any confinement against his will) or (b) the Founder's primary business occupation no longer being either a director or an employee of our company the Founder Holders shall cause at such time such Class B ordinary shares held by the Founder Holders to be converted into an equal number of Class A ordinary shares in accordance with our post-offering amended and restated memorandum and articles of association See "Description of Share Capital—Ordinary Shares—Conversion" for more information
Directed Share Program	At our request the underwriter has reserved for sale at the initial public offering price up to an aggregate of 1% of the Class A ordinary shares offered in this offering to certain of our directors officers employees business associates and other persons having relationships with us through a directed share program Any sales made through the directed share program will be made by Aegis We do not know if these persons will choose to purchase all or any portion of these reserved Class A ordinary shares but any purchases they do make will reduce the number of Class A ordinary shares available to the general public Any reserved Class A ordinary shares not so purchased will be offered by the underwriter to the general public on the same terms as the other Class A ordinary shares Certain participants may be subject to the lock-up agreements as described in "Underwriting—Directed Share Program "
Listing	Our Class A ordinary shares have been approved for listing on the Nasdaq under the symbol "GCT " Our ordinary shares will not be listed on any other stock exchange or traded on any automated quotation system
Payment and settlement	The underwriter expects to deliver the Class A ordinary shares against payment therefor on August 22 2022 through the facilities of The Depository Trust Company or DTC
Risk Factors	See "Risk Factors" and other information included in this prospectus for a discussion of risks you should carefully consider before investing in our Class A ordinary shares
Transfer Agent and Share Registrar	Computershare Trust Company N A

The total number of ordinary shares that will be outstanding immediately after this o fering is based upon:

- 37 303 546 ordinary shares issued and outstanding on an as-converted basis as of the date of this prospectus; and
- 2 940 000 Class A ordinary shares that we will issue and sell in this offering (assuming the underwriter does not exercise the over-allotment option to purchase additional Class A ordinary shares)

Summary Consolidated Financial and Operating Data

The following summary consolidated statements of comprehensive income data and consolidated statement of cash flows data for the years ended December 31 2019 2020 and 2021 and summary consolidated balance sheet data as of December 31 2020 and 2021 have been derived from our audited consolidated financial statements included elsewhere in this prospectus The following summary consolidated statements of comprehensive income data for the three months ended March 31 2021 and 2022 summary consolidated balance sheet data as of March 31 2022 and summary consolidated statements of cash flows data for the three months ended March 31 2021 and 2022 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as our audited consolidated financial statements and include all adjustments consisting only of ordinary and recurring adjustments that we consider necessary for a fair statement of our financial position and results of operations for the periods presented Our consolidated financial statements are prepared and presented in accordance with U S GAAP Our historical results are not necessarily indicative of results for any future periods You should read this section together with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2019	2020 Restated*	2021	2021 Restated*	2022
	($ in thousands, except for share data and per share data)				
Summary Consolidated Statements of Comprehensive Income Data:					
Revenues					
Service revenues	15,151	60,130	98,332	20,418	31,218
Product revenues	107,145	215,348	315,865	74,110	81,224
Total revenues	**122,296**	**275,478**	**414,197**	**94,528**	**112,442**
Cost of revenues					
Services	(9,697)	(37,147)	(84,723)	(14,146)	(29,201)
Product sales	(90,405)	(163,215)	(239,877)	(59,494)	(66,371)
Total cost of revenues	**(100,102)**	**(200,362)**	**(324,600)**	**(73,640)**	**(95,572)**
Gross profit	**22,194**	**75,116**	**89,597**	**20,888**	**16,870**
Operating expenses					
Selling and marketing expenses	(12,680)	(22,215)	(25,728)	(7,359)	(5,562)
General and administrative expenses	(4,712)	(8,717)	(24,516)	(2,941)	(3,827)
Total operating expenses	**(17,392)**	**(30,932)**	**(50,244)**	**(10,300)**	**(9,389)**
Operating income	**4,802**	**44,184**	**39,353**	**10,588**	**7,481**
Interest expense	—	(46)	(309)	(65)	(164)
Interest income	2	58	537	98	92
Foreign currency exchange gains (losses), net	166	1,023	(2,012)	(727)	(1,230)
Others, net	(168)	56	156	39	167
Income before income taxes	**4,802**	**45,275**	**37,725**	**9,933**	**6,346**
Income tax expense	**(1,945)**	**(7,820)**	**(8,468)**	**(1,950)**	**(1,607)**
Net income	**2,857**	**37,455**	**29,257**	**7,983**	**4,739**
Accretion of redeemable convertible preferred shares	—	(152)	(1,500)	(370)	(370)
Net income attributable to ordinary shareholders of our company	**2,857**	**37,303**	**27,757**	**7,613**	**4,369**

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2019	2020 Restated*	2021	2021 Restated*	2022
	($ in thousands, except for share data and per share data)				
Other comprehensive income (loss)					
Foreign currency translation adjustment, net of nil income taxes	(54)	(364)	123	(35)	(69)
Total other comprehensive income (loss)	**(54)**	**(364)**	**123**	**(35)**	**(69)**
Comprehensive income	**2,803**	**37,091**	**29,380**	**7,948**	**4,670**
Net income per ordinary share					
—Basic and diluted	0.11	1.36	0.88	0.25	0.13
Weighted average number of ordinary shares outstanding used in computing net income per ordinary share					
—Basic and diluted	9,495,844	9,495,844	10,248,079	9,495,844	12,999,986

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

	As of December 31,		As of March 31,
	2020	2021	2022
Summary Consolidated Balance Sheet Data:	($ in thousands)		
Accounts receivable net	24 020	18 036	21 112
Inventories	35 578	81 441	110 744
Total current assets	132 369	172 419	187 309
Total non-current assets	5 974	14 358	159 902
Total assets	138 343	186 777	347 211
Accounts payable	18 831	25 140	33 217
Total current liabilities	48 907	57 044	100 722
Total non-current liabilities	2 665	3 901	115 788
Total liabilities	51 572	60 945	216 510
Total mezzanine equity	25 152	26 652	27 022
Total shareholders' equity	61 619	99 180	103 679
Total liabilities mezzanine equity and shareholders' equity	138 343	186 777	347 211

	For the Year Ended December 31,			For the Three Months December 31,	
	2019	2020	2021	2021	2022
Summary Consolidated Statement of Cash Flow Data:	($ in thousands)				
Net cash provided by (used in) operating activities	1 157	33 284	8 556	(6 459)	(14 512)
Net cash used in investing activities	(944)	(647)	(1 825)	(594)	(80)
Net cash provided by (used in) financing activities	89	23 272	(2 956)	(530)	261
Effect of foreign currency exchange rate changes on cash and restricted cash	139	735	(2 110)	(3)	(5)
Net increase (decrease) in cash and restricted cash	441	56 644	1 665	(7 586)	(14 336)
Cash and restricted cash at the beginning of the year	5 112	5 553	62 197	62 197	63 862
Cash and restricted cash at the end of the year	5 553	62 197	63 862	54 611	49 526

Non GAAP Financial Measures

To supplement our consolidated financial statements which are prepared and presented in accordance with U S GAAP we use Adjusted EBITDA which is net income excluding interest income taxes and depreciation further adjusted to exclude share-based compensation expenses a non-GAAP financial measure to

understand and evaluate our core operating performance Non-GAAP financial measure which may differ from similarly titled measures used by other companies are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for or superior to the financial information prepared and presented in accordance with U S GAAP The table below sets forth a reconciliation of Adjusted EBITDA from net income for the periods indicated:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2019	2020 Restated*	2021	2021 Restated*	2022
	($ in thousands)				
Net income	**2,857**	**37,455**	**29,257**	**7,983**	**4,739**
Add: Income tax expense	1 945	7 820	8 468	1 950	1 607
Add: Interest expense	—	46	309	65	164
Less: Interest income	(2)	(58)	(537)	(98)	(92)
Add: Depreciation and amortization	128	227	775	128	311
Add: Share-based compensation expense	—	—	9 681	—	199
Adjusted EBITDA	**4,928**	**45,490**	**47,953**	**10,028**	**6,928**

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

Key Financial and Operating Metrics

The following table sets forth certain key financial and operating metrics for the periods presented:

	For the Year Ended December 31,			For the 12 Months Ended March 31,	
GigaCloud Marketplace:	2019	2020	2021	2021	2022
GigaCloud Marketplace GMV (in $ thousands)	$35 468	$190 480	$414 192	$259 050	$438 126
Active 3P sellers	71	210	382	236	410
Active buyers	441	1 689	3 566	2 138	3 782
Spend per active buyer (in $)	$80 427	$112 777	$116 150	$121 165	$115 845

For additional information about our key financial and operating metrics see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operating Metrics "

Cash Transfers and Dividend Distribution

GigaCloud Technology Inc is a holding company incorporated in the Cayman Islands and not a direct Chinese or Hong Kong operating company As a holding company with no material operations of its own GigaCloud Technology Inc conducts its operations through its subsidiaries and consolidated VIEs

We have operations in many locations globally through our principal subsidiaries incorporated in mainland China Hong Kong Japan and the U S and our principal consolidated VIEs incorporated in the U S and the U K If needed cash can be transferred between our holding company and subsidiaries through intercompany fund advances

In 2019 GigaCloud Technology Inc our Cayman Islands holding company (i) received a total of $4 4 million in cash from our subsidiaries and our consolidated VIEs of which nil was from our Hong Kong

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Subsidiary or PRC Subsidiaries; and (ii) transferred a total of $3 3 million in cash to our subsidiaries and our consolidated VIEs of which $1 0 million was to our Hong Kong Subsidiary and $1 4 million was to Suzhou GigaCloud In 2020 GigaCloud Technology Inc (i) received a total of $12 3 million in cash from our subsidiaries and our consolidated VIEs of which $1 1 million was from our Hong Kong Subsidiary and nil from our PRC Subsidiaries; and (ii) transferred a total of $2 1 million in cash to our subsidiaries and our consolidated VIEs of which $1 8 million was to our Hong Kong Subsidiary In 2021 GigaCloud Technology Inc (i) received a total of $6 7 million in cash of which $6 7 million was from our Hong Kong Subsidiary; and (ii) transferred a total of $18 6 million in cash to our subsidiaries of which $18 5 million was to our Hong Kong Subsidiary and $0 1 million was to GigaCloud Trading (HongKong) Limited In the three months ended March 31 2022 GigaCloud Technology Inc (i) did not receive any cash transfer from our subsidiaries or consolidated VIEs; and (ii) transferred a total of $10 1 million to our subsidiaries of which $10 0 million was to our Hong Kong Subsidiary and $0 1 million was to GigaCloud Trading (HongKong) Limited Suzhou GigaCloud was a consolidated VIE in mainland China from 2018 to February 2021 and we acquired 100% of the equity interest in Suzhou GigaCloud in February 2021 which then became our indirect wholly-owned subsidiary In 2019 Suzhou GigaCloud did not have any transfers dividends or distributions with our Cayman Islands holding company or other intercompany entities In 2020 and 2021 Suzhou GigaCloud received a total of $0 4 million and $1 5 million respectively in cash from our Hong Kong Subsidiary In the three months ended March 31 2022 Suzhou GigaCloud received a total of $0 3 million in cash from our Hong Kong Subsidiary In 2020 and 2021 Suzhou GigaCloud transferred a total of nil and $0 5 million respectively in cash to our subsidiary in Japan and our consolidated VIE in the U S In the three months ended March 31 2022 Suzhou GigaCloud did not have any transfers dividends or distributions with our Cayman Islands holding company or other intercompany entities In 2019 2020 2021 and the three months ended March 31 2022 GigaCloud Technology (Suzhou) Co Ltd our wholly-owned subsidiary in mainland China transferred a total of $0 04 million nil $0 06 million nil respectively in cash to our subsidiaries in mainland China In 2019 2020 2021 and the three months ended March 31 2022 GigaCloud Technology (Suzhou) Co Ltd received a total of $3 1 million in cash of which $1 7 million was from our Hong Kong Subsidiary and $1 4 million was from GigaCloud Technology Inc $4 6 million in cash from our Hong Kong Subsidiary $15 1 million in cash of which $15 0 million was from our Hong Kong Subsidiary and $0 1 million was from one of our PRC Subsidiaries and $2 9 million in cash from our Hong Kong Subsidiary respectively As of the date of this prospectus other than the cash transfer described hereto there were no transfer of other assets between our Cayman Islands holding company our subsidiaries and consolidated VIEs Our subsidiaries and consolidated VIEs have never made any dividends or distributions to our Cayman Islands holding company or to investors Similarly our Cayman Islands holding company has not declared or made any dividend or other distribution to its shareholders including U S investors in the past

If we decide to pay dividends on any of our ordinary shares in the future as a holding company we will be dependent on receipt of funds from our principal subsidiaries in Hong Kong Japan and the U S and our principal consolidated VIEs in the U S and the U K There are currently no restrictions on foreign exchange and our ability to transfer cash among our Cayman Islands holding company and our principal subsidiaries and consolidated VIEs as applicable in Hong Kong, Japan the U S and the U K or to investors Although we did not rely on our PRC Subsidiaries in dividends or other distributions on equity in the past in the event that our PRC Subsidiaries were to issue dividends or distribution to us out of mainland China in the future our PRC Subsidiaries may be subject to the applicable foreign currency control To date there have not been any such dividends or other distributions from our PRC Subsidiaries to our subsidiaries located outside of mainland China In addition save as disclosed above as of the date of this prospectus none of our subsidiaries have ever issued any dividends or distributions to us or their respective shareholders outside of mainland China In the PRC the PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and the remittance of currency out of mainland China which may restrict our PRC Subsidiaries' ability to transfer cash from our PRC Subsidiaries to our other non-mainland China entities To the extent cash is generated in our PRC Subsidiaries and may need to be used to fund operations outside of mainland China such funds may not be available due to limitations placed by the PRC government Furthermore to the extent assets (other than cash) in

our business are located in mainland China or held by a mainland China entity the assets may not be available to fund operations or for other use outside of mainland China due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer assets by the PRC government If certain PRC laws and regulations including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong Subsidiary in the future and to the extent cash is generated in our Hong Kong Subsidiary and to the extent assets (other than cash) in our business are located in Hong Kong or held by a Hong Kong entity and may need to be used to fund operations outside of Hong Kong such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC government Furthermore there can be no assurance that the PRC government will not intervene or impose restrictions on GigaCloud Group's ability to transfer or distribute cash within its organization which could result in an inability or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong and adversely affect its business Saved as the foregoing limitations imposed by the PRC government as described hereto there are currently no limitations on our or our subsidiaries' ability to transfer cash to investors See "Risk Factors—Risks Related to Doing Business in China—Governmental control of currency conversion may limit our ability to utilize our revenues transfer or distribute cash within our group effectively and affect the value of your investment" and "Regulation—Regulatory Overview of the PRC—Regulations Relating to Dividend Distributions" for a detailed discussion of the PRC legal restrictions on dividends and our ability to transfer cash within our group In addition holders of our ordinary shares may potentially be subject to PRC taxes on dividends paid by us in the event GigaCloud Technology Inc is deemed as a PRC resident enterprise for PRC tax purposes See "Taxation—PRC Taxation" and "Risk Factors—Risks Related to Doing Business in China—Dividends paid to our foreign investors and gains on the sale of our Class A ordinary shares by our foreign investors may become subject to PRC tax" for more details

We currently have not maintained any cash management policies that dictate the purpose amount and procedure of fund transfers among our Cayman Islands holding company our subsidiaries the consolidated VIEs or investors Rather the funds can be transferred in accordance with the applicable laws and regulations We may require additional capital resources in the future and we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities which could subject us to operating and financing covenants including requirements to maintain certain amount of cash reserves See "Risk Factors—Risks Related to Our Business and Industry—Our ability to raise capital in the future may be limited and our failure to raise capital when needed could prevent us from growing "

Our subsidiaries and consolidated VIEs have never made any dividends or distributions to our Cayman Islands holding company Similarly our Cayman Islands holding company has not declared or made any dividend or other distribution to its shareholders including U S investors in the past U S investors will not be subject to Cayman Islands taxation on dividend distributions and no withholding will be required on the payment of dividends or distributions to them while they may be subject to U S federal income tax See "Taxation—Material U S Federal Income Tax Consequences—Taxation of Dividends " We currently anticipate that we will retain future earnings for the development operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future In addition the terms of any future debt agreements may preclude us from paying dividends Our board of directors has complete discretion on whether to distribute dividends subject to applicable laws Even if our board of directors decides to pay dividends the form frequency and amount will depend upon our future operations and earnings capital requirements and surplus general financial condition contractual restrictions and other factors that the board of directors may deem relevant

In considering any distribution of the earnings of the subsidiaries to their respective holding companies we must consider their respective financial conditions before making a decision There are no other significant restrictions and limitations on our ability to distribute earnings from our businesses including our subsidiaries

and consolidated VIEs to the holding company and U S investors or our ability to settle amounts owed Except the aforementioned restrictions on our PRC Subsidiaries there are no significant restrictions on foreign exchange or our ability to transfer cash between entities within our group across borders or to U S investors

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RISK FACTORS

Investing in our Class A ordinary shares entails a significant level of risk Before investing in our Class A ordinary shares, you should carefully consider all of the risks and uncertainties mentioned in this section, in addition to all of the other information in this prospectus, including the financial statements and related notes We may face additional risks and uncertainties aside from the ones mentioned below There may be risks and uncertainties that we are unaware of, or that we currently do not consider material but may become important factors that adversely affect our business in the future Any of the following risks and uncertainties could have a material adverse effect on our business, results of operations, financial condition and prospects In such case, the market prices of our Class A ordinary shares could decline and you may lose part or all of your investment

Risks Related to Our Business and Industry

Uncertainties in economic conditions and their impact on the ecommerce industry, particularly for large parcel merchandise, could adversely impact our operating results.

We generate a significant portion of our revenues by offering global end-to-end B2B ecommerce solutions for large parcel merchandise via our GigaCloud Marketplace and by selling our own inventory through the GigaCloud Marketplace to and through off-platform ecommerce websites such as Rakuten in Japan Amazon and Walmart in the U S and Wayfair in the U K Our business and growth are therefore highly dependent on the viability and prospects of the ecommerce industry particularly for the large parcel merchandise market

Any uncertainties relating to the growth profitability and regulatory regime of the ecommerce industry for la ge parcel merchandise in the U S and other jurisdictions in which we operate could have a significant impact on us The development of the ecommerce industry is affected by a number of factors most of which are beyond our control These factors include:

- the consumption power and disposable income of ecommerce consumers as well as changes in demographics and consumer tastes and preferences;
- the availability reliability and security of ecommerce platforms;
- the selection price and popularity of products offered on ecommerce platforms;
- the potential impact of the COVID-19 pandemic to our business operations and the economy in the U S and elsewhere generally;
- the development of revenues fulfillment payment and other ancillary services associated with ecommerce; and
- changes in laws and regulations as well as government policies that govern the ecommerce industry in the U S

The ecommerce industry is highly sensitive to changes in macroeconomic conditions and ecommerce spending tends to decline during recessionary periods Many factors beyond our control including inflation and deflation fluctuations in currency exchange rates volatility of stock and property markets interest rates tax rates and other government policies and changes in unemployment rates can adversely affect consumer confidence and spending behavior on ecommerce platforms which could in turn materially and adversely a fect our growth and profitability In addition unfavorable changes in domestic and international politics including military conflicts political turmoil and social instability may also adversely affect consumer confidence and spending, which could in turn negatively impact our growth and profitability

Our historical growth rates and performance may not be sustainable or indicative of our future growth and financial results. We cannot guarantee that we will be able to maintain the growth rate we have experienced to date.

We have grown rapidly over the last few years Our revenues increased from $122 3 million in 2019 to $275 5 million in 2020 and $414 2 million in 2021 and further increased from $94 5 million in the three months ended March 31 2021 to $112 4 million in the three months ended March 31 2022 GigaCloud Marketplace GMV increased from $35 5 million in 2019 to $190 5 million in 2020 and $414 2 million in 2021 and increased from $89 5 million in the three months ended March 31 2021 to $113 4 million in the three months ended March 31 2022 However our historical performance may not be indicative of our future growth or financial results We cannot assure you that we will be able to grow at the same rate as we did in the past or avoid any decline in the future Our growth may slow or become negative and revenues may decline for a number of possible reasons some of which are beyond our control including decreasing consumer spending increasing competition declining growth of our overall market or industry the emergence of alternative business models and changes in rules regulations government policies or general economic conditions In addition our B2B ecommerce platform GigaCloud Marketplace from which we have generated 46 8% 66 2% 69 2% 66 3% and 76 0% of our total revenues in 2019 2020 2021 and the three months ended March 31 2021 and 2022 respectively is a relatively new initiative and may not grow as quickly as we have anticipated Our growth rate may also be slower than the previous years due to inflationary pressure and changes in the global economic conditions It is difficult to evaluate our prospects as we may not have sufficient experience in addressing the risks to which companies operating in rapidly evolving markets may be exposed If our growth rate declines our business financial condition and results of operations may be materially and adversely affected

System interruptions that impair access to our GigaCloud Marketplace, or other performance failures in our technology infrastructure, could damage our reputation and results of operations.

The satisfactory performance reliability and availability of our marketplace software such as our AI data analytics tools warehouse management system and other technology infrastructures are critical to our reputation and our ability to acquire and retain customers as well as maintain adequate customer service levels

For example if one of our data centers fails or suffers an interruption or degradation of services we could lose customer data and miss order fulfillment deadlines which could harm our business Our systems and operations including our ability to fulfill customer orders through our logistics network are also vulnerable to damage breakdown breach or interruption from inclement weather fire flood power loss telecommunications failure terrorist attacks labor disputes employee error or malfeasance theft or misuse cyber-attacks denial-of-service attacks computer viruses ransomware or other malware data loss acts of war break-ins earthquake and similar events In the event of a data center failure the failover to a back-up could take substantial time during which time our sites could be completely shut down Further our back-up services may not effectively process spikes in demand may process transactions more slowly and may not support all of our sites' functionality

We use complex AI software in our technology infrastructure, which we seek to continually update and improve We may not always be successful in executing these upgrades and improvements and the operation of our systems may be subject to failure In particular we may in the future experience slowdowns or interruptions in our marketplace or our warehouse management system when we are updating them and new technologies or infrastructures may not be fully integrated with existing systems on a timely basis or at all Our revenues depends on the number of sellers and buyers who trade in our marketplace and the amount of GMV we can handle Unavailability of our marketplace or our logistics algorithm would reduce the volume of GMV in our business operations

We may experience periodic system interruptions from time to time In addition continued growth in our transaction volume as well as surges in online traffic and orders associated with promotional activities or

seasonal trends in our marketplace or on third-party ecommerce platforms place additional demands on our technology infrastructure and could cause or exacerbate slowdowns or interruptions Any substantial increase in the volume of tra fic or the number of orders placed in our marketplace or the third-party ecommerce platforms may require us to further expand and upgrade our logistics network precision logistics algorithm warehouse management system and technology infrastructure There can be no assurance that we will be able to accurately project the rate or timing of increases if any in the use of our marketplace the third-party ecommerce platforms or expand and upgrade our systems and infrastructure to accommodate such increases on a timely basis To remain competitive we continue to enhance and improve the responsiveness functionality and features of our marketplace which is particularly challenging given the rapid rate at which new technologies customer preferences and expectations and industry standards and practices are evolving in the ecommerce industry Accordingly we redesign and enhance various functions in our marketplace on a regular basis and we may experience instability and performance issues as a result of these changes

Any slowdown interruption or performance failure of our marketplace and the underlying technology and logistics infrastructure could harm our business reputation and our ability to acquire retain and serve our customers which could materially adversely affect our results of operations

Our international operations are subject to a variety of legal, regulatory, political and economic risks.

We operate warehouses in four countries across North America Europe and Asia with the U S being our largest market Our international activities are significant to our revenues and profits and we plan to further expand internationally In certain international market segments we have relatively little operating experience and may not benefit from any first-to-market advantages It is costly to establish develop and maintain international operations and promote our brand internationally Our international operations may not become profitable on a sustained basis

In addition our international sales and operations are subject to a number of risks including:

- local economic inflation and political conditions;
- government egulation (such as regulation of our product and service o ferings and of competition); restrictive governmental actions (such as trade protection measures including export duties and quotas and custom duties and tariffs); nationalization; and restrictions on foreign ownership;
- restrictions on sales or distribution of certain products or services and uncertainty regarding liability for products services and content including uncertainty as a result of less Internet-friendly legal systems local laws lack of legal precedent and varying rules regulations and practices regarding the physical and digital distribution of media products and enforcement of intellectual property rights;
- business licensing or certification requirements;
- limitations on the repatriation and investment of funds and foreign currency exchange restrictions;
- limited fulfillment and technology infrastructure;
- potential impact of the COVID-19 pandemic on our business operations and the economy in globally;
- shorter payable and longer inventory and receivable cycles and the resultant negative impact on cash flow;

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

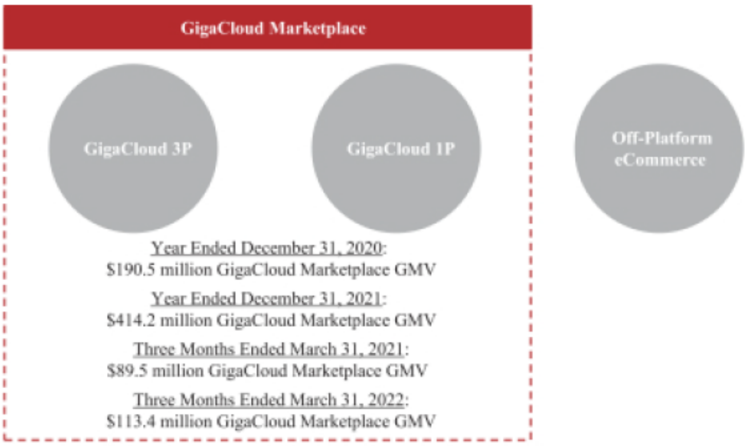
Overview

We are a pioneer of global end-to-end B2B ecommerce solutions for large parcel merchandise We generate revenues through three revenue streams:

- ***GigaCloud 3P:*** generates service revenues by facilitating transactions between sellers and buyers in our GigaCloud Marketplace
- ***GigaCloud 1P:*** generates product revenues through the sale of our inventory in our GigaCloud Marketplace
- ***Off platform ecommerce:*** generates product revenues through the sale of our inventory to and through third-party ecommerce websites

GigaCloud 3P and GigaCloud 1P together make up our GigaCloud Marketplace generating service revenues and product revenues respectively GigaCloud 1P and off-platform ecommerce make up our total 1P or product revenues These three revenue streams complement each other to improve our value proposition to sellers and buyers in our GigaCloud Marketplace

The following graphic shows the revenues and GMV contribution from these three revenue streams in 2020 and 2021 and the three months ended March 31 2021 and 2022:



	3P	1P	
Year Ended December 31, 2020	$60.1 million service revenues	$122.1 million product revenues	$93.3 million product revenues
Year Ended December 31, 2021	$98.3 million service revenues	$188.3 million product revenues	$127.6 million product revenues
Three Months Ended March 31, 2021	$20.4 million service revenue	$42.3 million product revenues	$31.9 million product revenues
Three Months Ended March 31, 2022	$31.2 million service revenue	$54.3 million product revenues	$27.0 million product revenues

We are focused on facilitating B2B ecommerce transactions in our GigaCloud Marketplace We built the GigaCloud Marketplace to democratize access and distribution globally so that manufacturers who are typically sellers in our marketplace and online resellers who are typically buyers in our marketplace could transact without borders Manufacturers view our marketplace as an essential sales channel to thousands of online resellers in the U S and Europe Our GigaCloud marketplace enables manufacturers to deliver their products around the world Additionally online resellers may lack the resources and infrastructure to manage a global supply chain and support international distribution Our integrated ecommerce solutions allow online resellers to offer products and services comparable to those offered by large ecommerce platforms by giving them access to a large and growing catalog of products at wholesale prices supported by industry-leading global fulfillment capabilities

To enhance our marketplace experience we also sell our own inventory or 1P through the GigaCloud Marketplace and to and through third-party ecommerce websites such as Rakuten in Japan Amazon and Walmart in the U S and Wayfair in the U K These product revenues expand our market presence reduce inventory and logistics risk for sellers create more products for buyers drive volume-based cost efficiencies for sourcing products provide us with data and increase the velocity of sales on our marketplace Product revenues through the GigaCloud Marketplace and to and through third-party ecommerce websites represented 78 2% 76 3% 78 4% and 72 2% of total revenues in 2020 2021 and the three months ended March 31 2021 and 2022 respectively As we focus on expanding our GigaCloud Marketplace into a leading global large parcel B2B marketplace we expect service revenue from 3P to grow faster than product revenue from 1P in the future but we expect 1P to remain an important distribution channel for our own inventory

Our service revenues totaled $60 1 million and product revenues totaled $215 4 million in 2020 representing a 296 9% and 101 0% increase over 2019 respectively Our service revenues totaled $98 3 million and product revenues totaled $315 9 million in 2021 representing a 63 5% and 46 7% increase over 2020 Our service revenue totaled $31 2 million and product revenues totaled $81 2 million in the three months ended March 31 2022 representing a 52 9% and 9 6% increase over the three months ended March 31 2021 In 2020 2021 and the three months ended March 31 2021 and 2022 our total GMV was $283 7 million $541 8 million $121 4 million and $140 1 million respectively of which GigaCloud Marketplace GMV was $190 5 million $414 2 million $89 5 million and $113 4 million respectively and off-platform ecommerce GMV was $93 2 million $127 6 million $31 9 million and $27 0 million respectively

Our Business Model

The GigaCloud Marketplace our global B2B ecommerce platform integrates everything from product discovery payments and logistics tools into one easy-to-use platform Sellers and buyers from our targeted markets around the world leverage our cross-border fulfillment network which is optimized for la ge parcel products in order to trade with each other while saving costs Underpinned by a network of strategically-placed warehouses and supply chain capabilities our marketplace is designed to simplify and mitigate logistics and inventory requirements for both our sellers and buyers

Once we attract new sellers and buyers to our marketplace we leverage our technology and supply chain solutions to drive retention We provide value-added services like product sales forecasts to our sellers to allow them to more efficiently manage inventory and reduce costs Our integrated supply chain also offers manufacturers and online resellers in our marketplace enhanced visibility into product inventory reducing inventory turnover and associated transaction costs The value of our model is demonstrated by the growth in GMV from our new and existing sellers and buyers

In 2020 2021 and the 12 months ended March 31 2022 GigaCloud Marketplace had 210 382 and 410 active 3P sellers and 1 689 3 566 and 3 782 active buyers respectively Sellers in our marketplace are typically manufacturers based in Asia who are able to leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics or rely on intermediaries The buyers in our marketplace

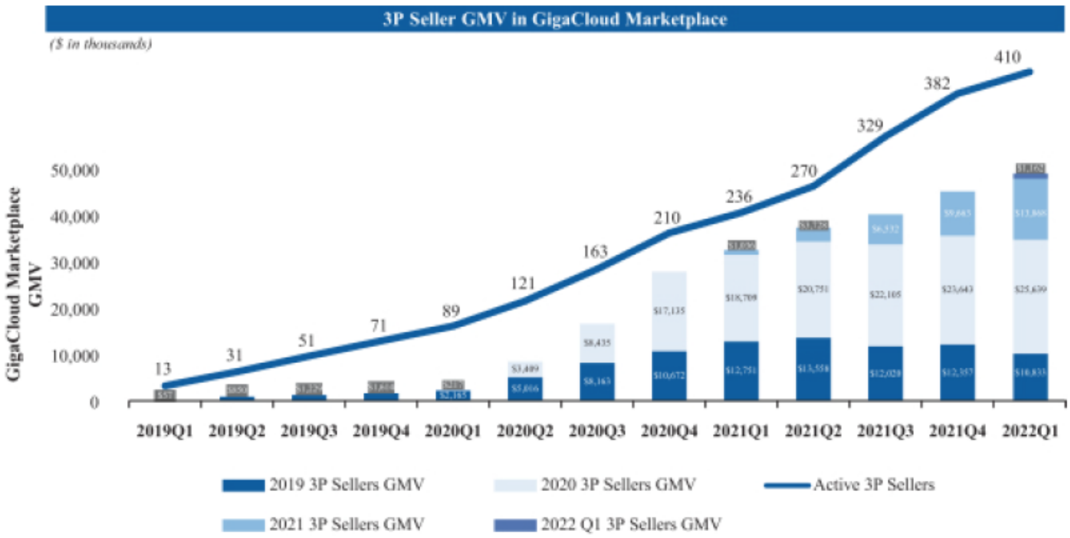
are typically resellers based in the U S and Europe that procure products at wholesale prices and subsequently sell on third-party B2C platforms

GigaCloud 3P

Through GigaCloud 3P we generate service revenues through the various activities of sellers and buyers in our GigaCloud Marketplace which result in commission fees warehousing fees last mile delivery fees fulfillment fees and other fees When a seller and buyer enter into a transaction in GigaCloud Marketplace we earn a percentage commission depending on the transaction value The standard commission ranges between 1% and 5% depending on the size of the transaction We also charge warehousing fees in connection with the storage of products in our warehouses last-mile delivery fees if the buyer requires last-mile delivery services and fulfillment fees for other freight services such as delivery of products via ocean transportation

From time to time in 2019 2020 and 2021 and the three months ended March 31 2022 when we had excess fulfillment capacity we also provided third-party logistics services to customers to help fulfill their large parcel transportation in the U S leveraging our extensive logistics network As we continue to grow our GigaCloud Marketplace we expect to dedicate our logistics capacity to products sold on our own marketplace and will only opportunistically provide third-party logistics services when there is excess capacity within our network

The chart below displays the quarterly GigaCloud Marketplace GMV of our 3P sellers in our GigaCloud Marketplace for the 12 months ended in December 31 2019 2020 and 2021 and March 31 2022 2019 3P Sellers 2020 3P Sellers 2021 3P Sellers and 2022 Q1 3P Sellers represent the groups of sellers who first sold products in our GigaCloud Marketplace in 2019 2020 2021 and the 12 months ended March 31 2022 respectively The Active 3P Sellers shows the total number of sellers who have sold at least one item in our GigaCloud Marketplace in the last 12 months 2019 3P Sellers 2020 3P Sellers 2021 3P Sellers and 2022 Q1 3P Sellers have demonstrated attractive quarter-over-quarter growth in both number of sellers and GigaCloud Marketplace GMV as shown below:



The chart below displays GigaCloud Marketplace GMV of our buyers in our GigaCloud Marketplace for the 12 months ended in December 31 2019 2020 and 2021 and March 31 2022 2019 Buyers 2020 Buyers and 2021 Buyers represent the groups of buyers who first purchased products in our GigaCloud Marketplace in 2019 2020 2021 and the 12 months ended March 31 2022 respectively The Active Buyers shows the total

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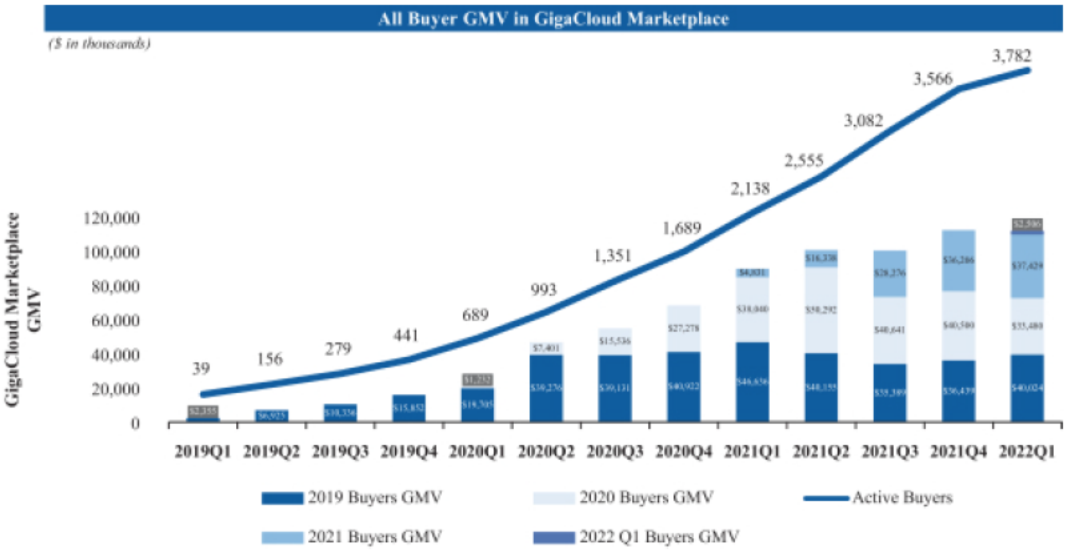
number of buyers who have made at least one purchase in our GigaCloud Marketplace in the last 12 months Our number of buyers and buyer GMV have grown in each quarter since inception as shown below:



GigaCloud 1P

Through GigaCloud 1P we further enhance our marketplace experience by selling our own inventory Our 1P selling creates more products for buyers gives us insights into seller needs provides us with proprietary data and increases the velocity of sales in our marketplace Through GigaCloud 1P we generate revenues from product sales

Off platform Ecommerce

In addition to facilitating transactions in our GigaCloud Marketplace we also procure highly-rated products directly from manufacturers and sell them directly to and through third-party ecommerce websites such as Rakuten Amazon Walmart and Wayfair Off-platform ecommerce sales deepen our relationships with sellers and provide us with proprietary data We expect the off-platform ecommerce GMV to GigaCloud Marketplace GMV as percentages of total GMV to gradually decrease Through off-platform ecommerce we generate revenues from product sales

COVID-19 Pandemic

We are continuing to monitor the impact of the COVID-19 pandemic on our business results of operations and financial results The COVID-19 pandemic has temporarily disrupted the global supply chain forcing factory closures and reducing manufacturing output We anticipate that these actions and the global health crisis caused by the COVID-19 pandemic including any variants will continue to negatively impact global economic activity Travel restrictions relating to COVID-19 have substantially reduced global air freight capacities and led to shortages in global ocean freight capacities pushing global freight rates to reach a record level in 2021 In late March and April 2022 certain regions in China were subject to lockdown and other constraints imposed by the local government authorities due to a new wave of COVID-19 outbreak in those regions Employees who are located in those regions were required to work remotely and/or suspended any business travels Although a majority of our employees are located in China our business products lines of service projects and operations were not materially impacted by such pandemic-related lockdown in China

because we were able to maintain normal business operations under a remote working arrangement with our employees There were a few days of delays in the shipping and handling of parcel in and out of the Shanghai port due to the lock-down in the area The percentage of shipment from Shanghai port made up approximately 15% and 9% of our total shipment in March and April 2022 Furthermore since most of the buyers in our GigaCloud Marketplace are typically resellers based in the U S and Europe and the buyers on third-party ecommerce websites are located outside of China the lock-down in China in 2022 did not have a material impact of consumer demand of our products and services Simultaneously demand and purchasing patterns have changed due to COVID-19 restrictions While it is difficult to predict all of the impacts the COVID-19 pandemic will have on our business we believe the long-term opportunities that we see for shopping for large parcel merchandise remain unchanged The situation surrounding the COVID-19 outbreak remains fluid The full extent of the positive or negative impact of the COVID-19 pandemic on our business will be determined by many factors including the length of time that the outbreak continues the impact on customers behaviors and the specific effects on our customers employees suppliers third-party carriers and other stakeholders all of which are uncertain and cannot be predicted

During this time our focus remains on serving our customers and on promoting the health safety and financial security of our employees We have taken a number of precautionary measures as may be required including enhancing cleaning measures instituting COVID-19 testing in our facilities suspending all non-essential travel transitioning a large portion of our employees to working-from-home and developing no-contact delivery methods

During the COVID-19 pandemic we have continued to see increased revenues and order activity in our GigaCloud Marketplace and third-party ecommerce websites To serve the increased orders we have hired and are continuing to hire additional warehouse staff and sales and marketing staff However the situation remains dynamic and subject to rapid and possibly material change We will continue to actively monitor the impact of the pandemic on our business and may take further actions that alter our business operations as may be required by the authorities where we have operations or that we determine are in the best interest of our customers employees suppliers third-party carriers and others While the COVID-19 pandemic has not had a material adverse impact on our operations to date and we believe the long-term opportunities for la ge parcel merchandise remains unchanged it is di ficult to predict all of the positive or negative impacts that the COVID-19 pandemic will have on our business over the short and long term See "Risk Factors—Risks Related to Our Business and Industry—The COVID-19 pandemic could materially and adversely impact our business "

Key Financial and Operating Metrics

We monitor the following key financial and operating metrics to evaluate the growth of our GigaCloud Marketplace measure our performance identify trends affecting our business formulate business plans and make strategic decisions

The following tables set forth our key financial and operating metrics for the periods indicated:

	For the Year Ended December 31,			For the 12 Months Ended March 31,	
GigaCloud Marketplace:	**2019**	**2020**	**2021**	**2021**	**2022**
GigaCloud Marketplace GMV (in $ thousands)	$ 35 468	$ 190 480	$ 414 192	$ 259 050	$ 438 126
Active 3P sellers	71	210	382	236	410
Active buyers	441	1 689	3 566	2 138	3 782
Spend per active buyer (in $)	$ 80 427	$ 112 777	$ 116 150	$ 121 165	$ 115 845

GigaCloud Marketplace GMV

The growth in GigaCloud Marketplace GMV including GMV from both GigaCloud 3P and GigaCloud 1P reflects our ability to attract and retain sellers and buyers in the GigaCloud Marketplace The revenues we generate in our marketplace is highly correlated to the amount of GMV transacted in the GigaCloud Marketplace

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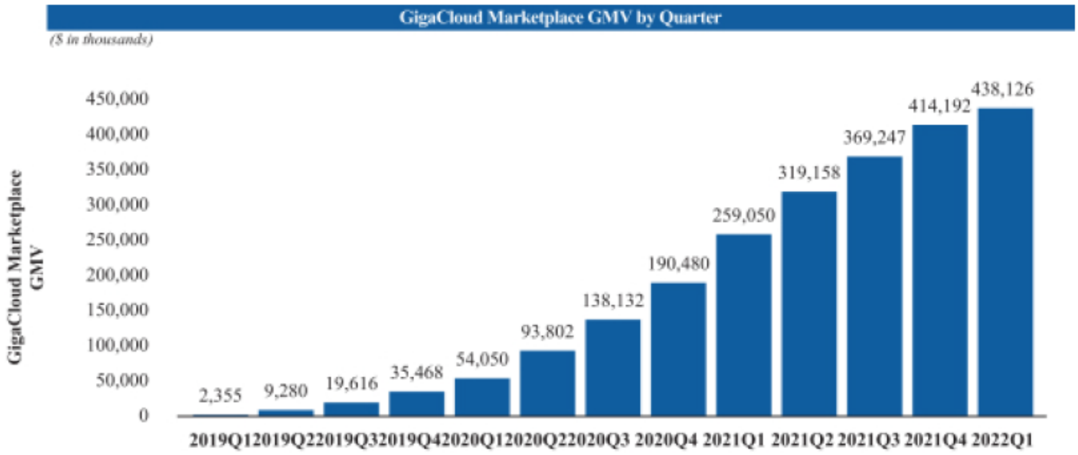
GigaCloud Marketplace GMV increased from $35 5 million in 2019 to $190 5 million in 2020 representing a growth of 437 0% primarily due to the growth in the numbers of sellers and buyers transacting in our marketplace and increase in spend per active buyer Growth in GigaCloud Marketplace GMV increased significantly in the 12 months ended June 30 September 30 and December 31 in 2020 due to our growing marketplace to reach economies of scale introduction of new sellers and buyers to our marketplace while maintaining transactions volume from our existing sellers and buyers as well as accelerated migration of large parcel purchases online because of COVID-19 GigaCloud Marketplace GMV increased from $190 5 million in 2020 to $414 2 million in 2021 representing a growth of 117 4% year-over-year and further increased to $438 1 million in the 12 months ended March 31 2022 representing a growth of 69 1% period-over-period primarily due to the continued increases in the numbers of sellers and buyers transacting in our marketplace and an increase in spend per active buyer We expect our growth to continue post COVID-19 as consumers increasingly embrace online purchases for large parcel products



Active 3P Sellers

The number of active 3P sellers in the GigaCloud Marketplace increased every quarter since the first quarter of 2019 We had 71 active 3P sellers in 2019 210 active 3P sellers in 2020 382 active 3P sellers in 2021 and 410 active 3P Sellers in the 12 months ended March 31 2022 We view active 3P sellers as a key driver of the product catalog in our marketplace which helps attract and retain buyers At the end of 2020 we had 4 937 SKUs across furniture home appliance fitness equipment and other large parcel categories from our active 3P sellers up from 570 SKUs at the end of 2019 As of December 31 2021 our SKUs increased to 6 334 and further increased to 7 300 as of March 31 2022 We expect continued growth in the number of active 3P sellers through internal sales force initiatives referrals by existing users and word-of-mouth We leverage our 1P inventory to help establish and validate markets for new sellers helping them onboard to our marketplace

Active Buyers

The number of active buyers in the GigaCloud Marketplace has been increasing every quarter since the first quarter in 2019 We had 441 active buyers in 2019 1 689 active buyers in 2020 3 566 active buyers in 2021 and 3 782 active buyers in the 12 months ended March 31 2022 We view number of active buyers as a key driver of our GigaCloud Marketplace GMV and revenues growth and a key indicator of our ability to attract and engage buyers in our marketplace We expect continued growth in the number of active buyers through internal sales force initiatives referrals by existing users word-of-mouth and direct visits to our website however the growth rate may be slower than the previous years due to inflationary pressure and changes in the global economic conditions

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Spend Per Active Buyer

The spend per active buyer in our GigaCloud Marketplace has grown from $80 427 in 2019 to $112 777 in 2020 $116 150 in 2021 and $115 845 in the 12 months ended March 31 2022 representing period-over-period increases of 40 2% and 3 0% and decrease of 4 4% respectively We view spend per active buyer as a key driver of our GigaCloud Marketplace GMV and revenues growth Spend per active buyer is driven by expanding the product categories increasing the frequency of buyer purchases and growing the average price per purchase Spend per active buyer decreased in the 12 months ended March 31 2022 primarily due to slower growth rates in both our GigaCloud Marketplace GMV and number of active buyers during the period due to inflationary pressure and changes in the global economic conditions We expect spend per active buyer to increase slightly as we continue to expand our product catalog, increase the mix of higher priced products introduce new value-added services to improve the shopping experience and enhance our supply chain capabilities for better fulfillment

Key Factors Affecting Our Results of Operations

Key factors affecting our results of operations include the following:

Our Ability to Attract and Retain Sellers

Sellers in our marketplace are typically manufacturers based in Asia who are able to use our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics or warehouses overseas We are focused on growing and retaining the number of sellers who choose to list their la ge parcel merchandise in our marketplace and utilize our logistics network for the shipping and handling of their products

In 2020 we had 210 active 3P sellers in our marketplace compared to 71 active 3P sellers in 2019 This represented a 195 8% year-over-year increase Our active 3P sellers further increased to 382 and 410 in 2021 and the 12 months ended March 31 2022 representing a 81 9% and 73 7% period-over-period increase respectively We believe this increasing trend will continue because of the growing recognition of our marketplace and our seller-friendly comprehensive logistics network enabling hassle-free delivery of large parcel merchandise

Using our marketplace sellers are able to quickly gain access to key global markets in which we operate including the U S the U K Germany and Japan We provide a flat rate program for shipping and handling, and sellers are able to utilize our warehouse space We also create sales analytics which provide valuable information as sellers determine which products to bring to market

We attract new sellers predominantly through o ganic channels such as referrals by existing users word-of-mouth or direct visits to our website We plan to augment this organic customer acquisition by adding additional sales and marketing employees to enhance seller and buyer growth

Our Ability to Attract and Retain Buyers

Buyers in our marketplace are typically resellers based in the U S and Europe who procure large parcel merchandise to resell to end customers Our marketplace is attractive to buyers because we minimize inventory risk from our buyers' business operations Our buyers can browse a product in our marketplace and list the product on their preferred ecommerce websites such as Amazon Wayfair or their own store prior to procuring and storing the product in a warehouse or shop Once a sale to the end customer takes place buyers can order the product in our marketplace and we will handle the fulfillment directly to the end customer

In 2020 we had 1 689 active buyers in our marketplace with an average $112 777 spend per active buyer compared to 441 active buyers and an average $80 427 spend per active buyer in 2019 This represented a 283 0% increase in active buyers and 40 2% increase in spend per active buyer in 2020 compared to 2019 In

2021 we had 3 566 active buyers in our marketplace with an average $116 150 spend per active buyer representing a 117 4% increase in active buyers and 3 0% increase in spend per active buyer compared to the previous year In the 12 months ended March 31 2022 we had 3 782 active buyers in our marketplace with an average $115 845 spend per active buyer representing a 76 9% increase in active buyers and 4 4% decrease in spend per active buyer compared to the previous period primarily attributable to slower growth rates in both our GigaCloud Marketplace GMV and number of active buyers during the period due to inflationary pressure and changes in the global economic conditions

In 2021 we launched a remorse protection program which can be purchased by the buyers in our GigaCloud Marketplace for a fee calculated based on the underlying purchase price of products purchased from our 3P business or 1P sales The remorse protection program aims to cover a portion of the buyer's risk when its customers seek compensation or discount on certain items for non-product quality reasons and when actual losses are incurred The program seeks to compensate the buyers for a portion of these actual losses for up to 60 days from the shipment of the product We require evidence of actual loss to the products prior to any compensation The fee we cha ge is based on our historical experience buyers' acceptance and the loss that we are willing to accept versus the benefits of the program This is a service that is unavailable on most other platforms for bulky items on which buyers must handle the logistics of product returns themselves or be subject to consumer remorse risks without any recourse While the remorse protection program represents a small portion of our business operations thus far it is an attractive service offering to our buyers who face product return risks

Overall Economic Trends

The overall economic environment and related changes in customer behavior have a significant impact on our business Customer spending on our products and services is primarily discretionary and therefore positive economic conditions generally drive stronger business performance

Despite the overall economic downturn due to the COVID-19 pandemic our business operations have benefited from the increased demand in la ge parcel merchandise as more people stay at home Furthermore even though ecommerce penetration in large parcel merchandise has lagged behind smaller packaged goods such as electronics and apparel la ge parcel merchandise such as home furniture have experienced accelerated migration online in 2020 according to Frost and Sullivan This trend is expected to continue increasing the demand for our marketplace and logistics solutions

The implementation of U S tariffs on Chinese imports has had an impact on our cost of revenues product demand and sourcing strategies Furthermore travel restrictions relating to COVID-19 have substantially reduced global air freight capacities and led to shortages in global ocean freight capacities pushing global freight rates to reach a record level in 2021 The increases in global freight rates have increased our cost of revenues in 2021 as well as presently in 2022 We have entered into a number of contracts with third party transportation service providers to mitigate the impact against any further increase in ocean freight costs in the short-term In the U S in 2022 as well as presently we have experienced inflationary pressures across various parts of our business and operations including, but not limited to rising costs across our supply chain Other macroeconomic factors that can affect customer spending patterns include employment rates availability of customer credit interest rates tax rates and energy costs

Our Ability to Broaden Service Offerings

Our results of operations are also affected by our ability to introduce new service offerings We have a history of expanding our service offering to enhance our customer experience and to increase revenues We started our business by primarily selling our own self-procured large parcel merchandise directly to end customers We expanded our service offerings and launched our GigaCloud Marketplace in 2019 which quickly grew to represent 46 8% 66 2% 69 2% 66 3% and 76 0% of our total revenues in 2019 2020 2021 and the three months ended March 31 2021 and 2022 respectively We continue to evaluate opportunities to launch

additional services In 2021 we launched a remorse protection program that covers a portion of the buyer's risk when its customers seek compensation or discount on certain items for non-product quality reasons and when actual losses are incurred for up to 60 days which is an attractive service offering to our buyers As SKUs in our marketplace grows we are also looking to roll out paid advertising tools that promote products based on search results Additionally we are leveraging our data analytics capabilities to develop new tools for users to improve their marketplace experience

Our Ability to Effectively Invest in our Infrastructure and Technology Platform

Our results of operations depend in part on our ability to invest in our infrastructure and technology platform to cost-effectively meet the demands of our anticipated growth As of March 31 2022 our global logistics network included 21 warehouses with an aggregate gross floor area of over four million square feet in four countries Additionally we maintain partnerships with several major shipping, trucking and freight service providers

Our ability to improve our operational efficiency depends on our ability to invest in our technology infrastructure and platform including our virtual warehousing solution and AI technology We successfully improved our warehouse management solutions over the past year

Seasonality

We believe that sales of home furniture and other large parcel items are subject to modest seasonality We expect the last quarter of the year to be the most active

In 2020 GMV was the largest in the fourth quarter and we experienced increased year-over-year sales volume in the first second and third quarters We believe the year-over-year performance was partially due to the impact of COVID-19 and may not be reflective of any seasonal trends in our industry It is uncertain whether this is an indicator of industry trends going forward

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Key Components of Results of Operations

Revenues

We generate revenues from GigaCloud 3P GigaCloud 1P and off-platform ecommerce GigaCloud 3P includes the service revenue generated by facilitating transactions between sellers and buyers in our GigaCloud Marketplace GigaCloud 1P includes the product revenue generated through the product sales of our inventory through our GigaCloud Marketplace and off-platform ecommerce includes the product revenue generated from product sales of our inventory to and through third-party ecommerce websites The following table sets forth the breakdown of our revenues both in absolute amount and as a percentage of our total revenues for the periods presented:

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2019		2020		2021		2021		2022	
	$	%	$	%	$	%	$	%	$	%
	($ in thousands, except for percentages)									
Revenues										
Service revenue										
GigaCloud 3P	15 151	12 4	60 130	21 8	98 332	23 7	20 418	21 6	31 218	27 8
Subtotal	**15,151**	**12.4**	**60,130**	**21.8**	**98,332**	**23.7**	**20,418**	**21.6**	**31,218**	**27.8**
Product revenue										
GigaCloud 1P	42 141	34 4	122 102	44 4	188 266	45 5	42 259	44 7	54 273	48 2
Off-platform ecommerce	65 004	53 2	93 246	33 8	127 599	30 8	31 851	33 7	26 951	24 0
Subtotal	**107,145**	**87.6**	**215,348**	**78.2**	**315,865**	**76.3**	**74,110**	**78.4**	**81,224**	**72.2**
Total	**122,296**	**100.0**	**275,478**	**100.0**	**414,197**	**100.0**	**94,528**	**100.0**	**112,442**	**100.0**

Service Revenue—GigaCloud 3P

We derive service revenues primarily through the various 3P activities of sellers and buyers in the GigaCloud Marketplace When a seller and buyer enter into a transaction in GigaCloud Marketplace we earn a percentage commission depending on the transaction value The standard commission ranges between 1% and 5% Additionally we charge the sellers a flat per day warehouse fee for storage of inventory in our warehouses which varies by the size of the products We charge buyers a flat fee for last-mile delivery services for delivery of products to end customers directly from our warehouses which varies by the weight and destination of the product We charge a fulfillment fee for other freight services such as delivery of products via ocean transportation

From time to time in 2019 2020 2021 and the three months ended March 31 2022 when we had excess fulfillment capacity we also provided third-party logistics services to customers to help fulfill their large parcel transportation in the U S leveraging our extensive logistics network As we continue to grow our GigaCloud Marketplace we expect to dedicate our logistics capacity to customers using our marketplace and to products sold on our own marketplace and will opportunistically provide third-party logistics services when there is excess capacity within our network

Product Revenue—GigaCloud 1P

We derive product revenues from the sales of products through selling our own inventory on our marketplace This 1P selling creates more products for buyers gives us insights into seller needs provides us with proprietary data and increases the velocity of sales in our marketplace

Product Revenue—Off-platform Ecommerce

We derive product revenues primarily from the sales of our own inventory through one of the two sales models which include (i) product sales made to third-party ecommerce websites or Product Sales to B such as Wayfair and Walmart; and (ii) product sales to individual customers through third-party ecommerce websites or Product Sales to C such as Rakuten and Amazon where end customers can visit our online stores and purchase directly from us Regarding Product Sales to B as expenses charged by these websites are not in exchange for a distinct good or service therefore the payments to these websites are not recognized as expenses but recorded net of revenues With respects to Product Sales to C expenses incurred for product sales made through these websites are recorded as selling and marketing expenses

Cost of Revenues

Our cost of revenues primarily consists of cost of services and cost of product sales The following table sets forth the breakdown of our cost of revenues both in absolute amount and as a percentage of our total revenues for the periods presented:

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2019		2020		2021		2021		2022	
	$	%	$	%	$	%	$	%	$	%
	($ in thousands, except for percentages)									
Cost of revenues										
Services	9 697	7 9	37 147	13 5	84 723	20 5	14 146	15 0	29 201	26 0
Product sales	90 405	74 0	163 215	59 2	239 877	57 9	59 494	62 9	66 371	59 0
Total	**100,102**	**81.9**	**200,362**	**72.7**	**324,600**	**78.4**	**73,640**	**77.9**	**95,572**	**85.0**

Cost of Services

Cost of services primarily consists of the shipping and handling costs a portion of warehouse rental expenses as well as the costs associated with the operation of the GigaCloud Marketplace primarily including IT staff costs and expenses incurred for the maintenance of IT infrastructure

Cost of Product Sales

Cost of product sales primarily consists of the purchase price of merchandise shipping and handling costs for self-owned merchandise warehouse rental expenses excluding the portion allocated to cost of service revenue packaging fees and personnel related costs including any staff costs related to selling our own 1P products through GigaCloud Marketplace The purchase price of merchandise included the shipping and handling costs to procure our merchandise which have increased in 2020 as travel restrictions induced by COVID-19 have substantially reduced global air freight capacities and led to shortages in global ocean freight capacities pushing global freight rates to reach a record level in 2021 In the U S in 2022 as well as presently we have experienced inflationary pressures across various parts of our business and operations including, but not limited to rising costs across our supply chain

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Gross Profit and Margin

The table below sets forth a breakdown of our gross profit and gross profit margin for each of the periods presented:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2019	2020	2021	2021	2022
	($ in thousands, except for percentages)				
Gross Profit	22 194	75 116	89 597	20 888	16 870
Gross margin (%)	18 1%	27 3%	21 6%	22 1%	15 0%

Operating Expenses

Our operating expenses consist of selling and marketing expenses and general and administrative expenses The following table sets forth the breakdown of our operating expenses both in absolute amount and as a percentage of our total revenues for the periods presented:

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2019		2020 Restated*		2021		2021 Restated*		2022	
	$	%	$	%	$	%	$	%	$	%
	($ in thousands, except for percentages)									
Operating expenses										
Selling and marketing expenses	12 680	10 4	22 215	8 1	25 728	6 2	7 359	7 8	5 562	4 9
General and administrative expenses	4 712	3 8	8 717	3 2	24 516	5 9	2 941	3 1	3 827	3 5
Total operating expenses	**17,392**	**14.2**	**30,932**	**11.3**	**50,244**	**12.1**	**10,300**	**10.9**	**9,389**	**8.4**

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of payroll employees benefits and related expenses for personnel engaged in selling and marketing activities platform commission advertising and promotion expenses traveling and others The following table sets forth the breakdown of our selling and marketing expenses both in absolute amount and as a percentage of our total revenues for the periods presented:

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2019		2020 Restated*		2021		2021		2022	
	$	%	$	%	$	%	$	%	$	%
	($ in thousands, except for percentages)									
Selling and marketing expenses										
Staff cost	4 030	3 3	10 686	3 9	12 242	3 0	3 799	4 0	2 679	2 4
Platform commission	6 090	5 0	7 789	2 8	10 978	2 7	2 969	3 2	2 425	2 2
Advertising and promotion expenses	1 198	1 0	1 075	0 4	1 851	0 4	444	0 5	269	0 2
Traveling	470	0 4	510	0 2	167	0 0	30	0 0	12	0 0
Others	892	0 7	2 155	0 8	490	0 1	117	0 1	177	0 1
Total selling and marketing expenses	**12,680**	**10.4**	**22,215**	**8.1**	**25,728**	**6.2**	**7,359**	**7.8**	**5,562**	**4.9**

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

General and Administrative Expenses

Our general and administrative expenses primarily consist of payroll employees benefits share-based compensation and related costs for employees involved in general corporate functions professional services fees expenses associated with the use of facilities and equipment by these employees such as property insurance rental and depreciation expenses and other general corporate expenses The following table sets forth the breakdown of our general and administrative expenses both in absolute amount and as a percentage of our total revenues for the periods presented:

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2019		2020 Restated*		2021		2021 Restated*		2022	
	$	%	$	%	$	%	$	%	$	%
	($ in thousands, except for percentages)									
General and administrative expenses										
Staff cost	2 003	1 6	3 528	1 3	15 676	3 8	1 065	1 0	1 777	1 6
Professional service	366	0 3	1 708	0 6	4 911	1 2	1 011	1 1	772	0 7
Office supplies and utility	839	0 7	1 345	0 5	1 187	0 3	196	0 2	250	0 2
Rental	279	0 2	322	0 1	1 104	0 3	144	0 2	179	0 2
Others	1 225	1 0	1 814	0 7	1 638	0 3	525	0 6	849	0 8
Total general and administrative expenses	**4,712**	**3.8**	**8,717**	**3.2**	**24,516**	**5.9**	**2,941**	**3.1**	**3,827**	**3.5**

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

Interest Expense

Our interest expense primarily consists of our financial lease interest expense for warehouses in the U S

Foreign Currency Exchange Gains, Net

Our foreign exchange gains represent the gains due to depreciation of U S dollars against Euro and British Pounds

Others, Net

Others net primarily consists of impairment subsidies and others Impairment loss represents the provisions on an equity investment

Income Tax Expense

Our income tax expense primarily consists of current tax expense deferred income tax expense and uncertain tax position primarily related to uncertainty of our subsidiaries and any consolidated VIEs in mainland China with regards to the tax impact of transfer pricing adjustment

Taxation

Cayman Islands

Under the current laws of the Cayman Islands we are not subject to tax on income or capital gain Additionally the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders

Hong Kong

Under the current Hong Kong S A R Inland Revenue Ordinance our subsidiary in Hong Kong S A R is subject to Hong Kong S A R profits tax at the rate of 16 5% on its taxable income generated from the operations in Hong Kong S A R The first HK$2 million of assessable profits earned by a company will be taxed at 8 25% whilst the remaining profits will continue to be taxed at 16 5% There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates Payments of dividends by our Hong Kong S A R subsidiary to us is not subject to withholding tax in Hong Kong S A R

Mainland China

Under the PRC Enterprise Income Tax Law or the EIT Law domestic companies are subject to EIT at a uniform rate of 25% Our PRC Subsidiaries and consolidated VIEs are subject to the statutory income tax rate at 25% unless a preferential EIT rate is otherwise stipulated

On December 24 2019 our wholly-owned subsidiary GigaCloud Technology (Suzhou) Co Ltd (formerly known as Oriental Standard Network Technology (Suzhou) Co Ltd) obtained a certificate from related authorities of local government for “Advanced Technology Service Enterprise ” or ATSE qualification This certificate entitled GigaCloud Technology (Suzhou) Co Ltd to enjoy a preferential income tax rate of 15% for a period of three years from 2019 to 2021 if all the criteria for ATSE status could be satisfied in the relevant years

Under the EIT Law and its implementation rules an enterprise established outside China with a “place of effective management” within China is considered a China resident enterprise for Chinese enterprise income tax purposes A China resident enterprise is generally subject to certain Chinese tax reporting obligations and a uniform 25% enterprise income tax rate on its worldwide income The implementation rules to the EIT Law provide that non-resident legal entities are considered PRC residents if substantial and overall management and control over the manufacturing and business operations personnel accounting, properties etc occurs within mainland China Despite the present uncertainties resulting from the limited PRC tax guidance on the issue we do not believe that the legal entities organized outside the PRC should be treated as residents for EIT Law purposes If the PRC tax authorities subsequently determine that our Company and our subsidiaries registered outside the PRC are deemed resident enterprises our Company and our subsidiaries egistered outside mainland China will be subject to the PRC income tax at a rate of 25%

Dividends paid to non-PRC-resident corporate investor from profits earned by the PRC subsidiaries after January 1 2008 would be subject to a withholding tax The EIT Law and its relevant regulations impose a withholding tax at 10% unless reduced by a tax treaty or agreement for dividends distributed by a PRC-resident enterprise to its non-PRC-resident corporate investor for earnings generated beginning on January 1 2008 As at December 31 2019 and 2020 there was no retained earnings from legal entity level of all of our PRC Subsidiaries and PRC VIE And thus we have not provided for deferred tax liabilities on undistributed earnings for our PRC Subsidiaries

U.S. Federal Income Taxation

Our U S subsidiaries are subject to U S federal income taxes and state income taxes In connection with U S tax legislation enacted in December 2017 the federal income tax rate for corporations changed to 21% beginning in 2018 while state income tax rates generally remained the same as in previous years The U S tax rules also provide for enhanced accelerated depreciation deductions by allowing the election of ull expensing of qualified property primarily equipment through 2022

Results of Operations

The following table sets forth a summary of our consolidated results of operations both in absolute amount and as a percentage of our total revenues for the periods presented This information should be read

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together with our consolidated financial statements and related notes included elsewhere in this prospectus The results of operations in any period are not necessarily indicative of our future trends

	For the Year Ended December 31,						For the Three Months Ended March 31,			
	2019		2020 Restated*		2021		2021 Restated*		2022	
	$	%	$	%	$	%	$	%	$	%
	($ in thousands, except for percentages)									
Revenues										
Service revenues	15 151	12 4	60 130	21 8	98 332	23 7	20 418	21 6	31 218	27 8
Product revenues	107 145	87 6	215 348	78 2	315 865	76 3	74 110	78 4	81 224	72 2
Total revenues	**122,296**	**100.0**	**275,478**	**100.0**	**414,197**	**100.0**	**94,528**	**100.0**	**112,442**	**100.0**
Cost of revenues										
Services	(9 697)	(7 9)	(37 147)	(13 5)	(84 723)	(20 5)	(14 146)	(15 0)	(29 201)	(26 0)
Product sales	(90 405)	(74 0)	(163 215)	(59 2)	(239 877)	(57 9)	(59 494)	(62 9)	(66 371)	(59 0)
Total cost of revenues	**(100,102)**	**(81.9)**	**(200,362)**	**(72.7)**	**(324,600)**	**(78.4)**	**(73,640)**	**(77.9)**	**(95,572)**	**(85.0)**
Gross profit	**22,194**	**18.1**	**75,116**	**27.3**	**89,597**	**21.6**	**20,888**	**22.1**	**16,870**	**15.0**
Operating expenses										
Selling and marketing expenses	(12 680)	(10 4)	(22 215)	(8 1)	(25 728)	(6 2)	(7 359)	(7 8)	(5 562)	(4 9)
General and administrative expenses	(4 712)	(3 8)	(8 717)	(3 2)	(24 516)	(5 9)	(2 941)	(3 1)	(3 827)	(3 5)
Total operating expenses	**(17,392)**	**(14.2)**	**(30,392)**	**(11.3)**	**(50,244)**	**(12.1)**	**(10,300)**	**(10.9)**	**(9,389)**	**(8.4)**
Operating income	**4,802**	**3.9**	**44,184**	**16.0**	**39,353**	**9.5**	**10,588**	**11.2**	**7,481**	**6.6**
Interest expense	—	—	(46)	(0 0)	(309)	(0 1)	(65)	(0 1)	(164)	(0 1)
Interest income	2	0 0	58	0 0	537	0 1	98	0 1	92	0 1
Foreign currency exchange gains (losses) net	166	0 1	1 023	0 4	(2 012)	(0 5)	(727)	(0 7)	(1 230)	(1 1)
Others net	(168)	(0 1)	56	0 0	156	0 1	39	0 0	167	0 1
Income before income taxes	**4,802**	**3.9**	**45,275**	**16.4**	**37,725**	**9.1**	**9,933**	**10.5**	**6,346**	**5.6**
Income tax expense	(1 945)	(1 6)	(7 820)	(2 8)	(8 468)	(2 0)	(1 950)	(2 1)	(1 607)	(1 4)
Net income	**2,857**	**2.3**	**37,455**	**13.6**	**29,257**	**7.1**	**7,983**	**8.4**	**4,739**	**4.2**

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Revenues

Our revenues which consisted of service revenue generated from GigaCloud 3P and product revenue generated from GigaCloud 1P and off-platform ecommerce sales increased by 19 0% from $94 5 million in the three months ended March 31 2021 to $112 4 million in the three months ended March 31 2022 This increase

was primarily due to continued increase in market demand for large parcel merchandise leading to increased number of sellers who listed merchandise and numbers of buyers who p ocured large parcel merchandise in our GigaCloud Marketplace

- *Services Revenue from GigaCloud 3P* Our service revenues increased by 52 9% from $20 4 million in the three months ended March 31 2021 to $31 2 million in the three months ended March 31 2022 The increase was attributable to (i) an increase in revenues from commission fees due to an increase in transactions in our marketplace driven by increase in the number of active 3P sellers by 73 7% from 236 in the 12 months ended March 31 2021 to 410 in the 12 months ended March 31 2022 and the increase in the number of active buyers by 76 9% from 2 138 in the 12 months ended March 31 2021 to 3 782 in the 12 months ended March 31 2022; and (ii) an increase in revenues from warehousing fees and delivery fees due to increases in demand and logistics costs as we increased the number of warehouses from 19 in the three months ended March 31 2021 to 21 in the three months ended March 31 2022 to provide more warehousing services as the market demand for warehouse services and delivery for la ge parcels continued to increase

- *Product Revenue from GigaCloud 1P* Our product revenues from GigaCloud 1P increased by 28 4% from $42 3 million in the three months ended March 31 2021 to $54 3 million in the three months ended March 31 2022 The increase was attributable to an increase in our GigaCloud Marketplace GMV from $89 5 million in the three months ended March 31 2021 to $113 4 million in the three months ended March 31 2022 and an increase in the number of our SKUs from 5 172 as of March 31 2021 to 7 245 as of March 31 2022 partially offset by a decrease in average spend per buyer in the three months ended March 31 2022 as consumer demand slowed down due to inflationary pressure

- *Product Revenue from Off-platform Ecommerce* Our product revenues from o f-platform ecommerce decreased by 15 4% from $31 9 million in the th ee months ended March 31 2021 to $27 0 million in the three months ended March 31 2022 The decrease was attributable to an overall decrease in sales on third-party o f-platform ecommerce as consumer demand slowed down due to inflationary pressure

Cost of Revenues

Our cost of revenues increased by 29 8% from $73 6 million in the three months ended March 31 2021 to $95 6 million in the three months ended March 31 2022 primarily attributable to the overall increase in our revenue and the increases in shipping and handling costs in both cost of services and cost of product sales

Our cost of services increased by 106 4% from $14 1 million in the three months ended March 31 2021 to $29 2 million in the three months ended March 31 2022 primarily due to increases in shipping and handling costs as third-party shipping costs and particularly ocean freight costs continued to increase globally and we had an increase in the deliveries of merchandise that we handle from and to sellers and buyers in our marketplace and increases in rental costs of the portion allocated to our 3P business as we increased the number of warehouses from 19 in the three months ended March 31 2021 to 21 in the three months ended March 31 2022

Our cost of product sales increased by 11 6% from $59 5 million in the three months ended March 31 2021 to $66 4 million in the three months ended March 31 2022 primarily due to the increased products we procured to sell on GigaCloud Marketplace and off-platform ecommerce websites in our 1P business and increases in shipping and handling costs and particularly ocean freight costs and rental costs of warehouses that were allocated to 1P products

Gross Profit and Gross Margin

As a result of the foregoing our gross profit decreased by 19 2% from $20 9 million in three months ended March 31 2021 to $16 9 million in the three months ended March 31 2022 Our gross margin decreased from 22 1% in the three months ended March 31 2021 to 15 0% in the three months ended March 31 2022 primarily due to the costs of revenue increased at a faster pace than revenue as shipping and handling costs and particularly ocean freight costs increased significantly compare to the previous period

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 24 4% from $7 4 million in the three months ended March 31 2021 to $5 6 million in the three months ended March 31 2022 which was mainly due to a decrease in staff cost as the sales commission decreased

General and Administrative Expenses

Our general and administrative expenses increased by 30 1% from $2 9 million (restated) in the three months ended March 31 2021 to $3 8 million in the three months ended March 31 2022 which was mainly due to increases in sta f cost as we increased the number of general and administrative sta f personnel and property insurance we purchased for our warehouses partially offset by a decrease in professional service expenses

Interest Expense

We had interest expenses of $65 thousand and $164 thousand in the three months ended March 31 2021 and 2022 respectively The increase was primarily attributable to increases in charges due to the increase in our financial lease interest expense for warehouses in the U S

Interest Income

We had interest income of $98 thousand and $92 thousand in the three months ended March 31 2021 and 2022 respectively The decrease was primarily attributable to a decrease in accounts receivables overdue partially o fset by an increase in interest income from providing cash advances to more sellers in the three months ended March 31 2022 pursuant to our supply chain financing program

Foreign Currency Exchange Gains / (Losses), Net

We had foreign currency exchange losses net of $0 7 million in the three months ended March 31 2021 compared to $1 2 million in the three months ended March 31 2022 primarily attributable to appreciation of the U S dollar against Euro and Japanese Yen

Others, Net

We had other income net of $39 thousand and $167 thousand in the three months ended March 31 2021 and 2022 respectively The increase was primarily attributable to a government subsidy that was received in the three months ended March 31 2022

Income Tax Expense

We had income tax expense of $2 0 million and $1 6 million in the three months ended March 31 2021 and 2022 respectively The decrease was primarily attributable to a decrease in our income before income taxes from $9 9 million in the three months ended March 31 2021 to $6 3 million in the three months ended March 31 2022

Net Income

As a result of the foregoing our net income was $8 0 million (restated) and $4 7 million in the three months ended March 31 2021 and 2022 respectively

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Revenues

Our revenues which consisted of service revenue generated from GigaCloud 3P and product revenue generated from GigaCloud 1P and off-platform ecommerce sales increased by 50 4% from $275 5 million in 2020 to $414 2 million in 2021 This increase was primarily due to continued increase in market demand for large parcel merchandise leading to increases in number of sellers who listed merchandise and numbers of buyers who procured la ge parcel merchandise in our GigaCloud Marketplace

- *Service Revenue from GigaCloud 3P* Our service revenues increased by 63 5% from $60 1 million in 2020 to $98 3 million in 2021 The increase was attributable to (i) an increase in revenues from commission fees due to an increase in transactions in our marketplace driven by increase in the number of active 3P sellers by 81 9% from 210 in 2020 to 382 in 2021 and increase in the number of active buyers by 111 1% from 1 689 in 2020 to 3 566 in 2021; and (ii) an increase in revenues from warehousing fees and delivery fees as we increased the number of warehouses from 17 in 2020 to 21 in 2021 to provide more warehousing services as the market demand for warehouse services and delivery for large parcels continued to increase

- *Product Revenue from GigaCloud 1P* Our product revenues from GigaCloud 1P increased by 54 2% from $122 1 million in 2020 to $188 3 million in 2021 This increase was attributable to an increase in the overall market demand for online home furniture which continued to drive the increase in sales per active buyers and an increase in the number of our SKUs

- *Product Revenue from Off-platform Ecommerce* Our product revenues from o f-platform ecommerce increased by 36 8% from $93 3 million in 2020 to $127 6 million in 2021 The increase was attributable to an increase in the demand for home furniture and an increase in the unit price on third-party ecommerce websites as we sell specialty items with higher unit price

Cost of Revenues

Our cost of revenues increased by 62 0% from $200 4 million in 2020 to $324 6 million in 2021 which was in line with the overall increase in our revenue

Our cost of services increased by 128 1% from $37 1 million in 2020 to $84 7 million in 2021 primarily due to increases in shipping and handling costs as third-party shipping costs and particularly ocean freight costs continued to increase globally and we had an increase in the deliveries of merchandise that we handle from and to sellers and buyers in our marketplace and increases in rental costs of the portion allocated to our 3P business as we increased the number of warehouses from 17 in 2020 to 21 in 2021

Our cost of product sales increased by 47 0% from $163 2 million in 2020 to $239 9 million in 2021 primarily due to the increased products we procured to sell on GigaCloud Marketplace and off-platform ecommerce websites in our 1P business and increases in shipping and handling costs and particularly ocean freight costs and rental costs of warehouses that were allocated to 1P products

Gross Profit and Gross Margin

As a result of the foregoing our gross profit increased by 19 3% from $75 1 million in 2020 to $89 6 million in 2021 primarily due to the growth in our GigaCloud GMV and 1P sales Our gross margin decreased

from 27 3% in 2020 to 21 6% in 2021 primarily due to costs of services increased at a faster pace than service revenues as ocean freight shipping costs increased in 2021

Selling and Marketing Expenses

Our selling and marketing expenses increased by 15 8% from $22 2 million (restated) in 2020 to $25 7 million in 2021 which was mainly due to increases in (i) staff cost from $10 7 million (restated) in 2020 to $12 2 million in 2021 primarily attributable to an increase in headcount in sales and marketing staff from 210 as of December 31 2020 to 273 as of December 31 2021 and an increase in average monthly salary in sales and marketing sta f; and (ii) platform commission from $7 8 million in 2020 to $11 0 million in 2021 primarily attributable to increases in product sales to individuals on third-party ecommerce websites

General and Administrative Expenses

Our general and administrative expenses increased by 181 2% from $8 7 million (restated) in 2020 to $24 5 million in 2021 which was mainly due to (i) an increase in staff costs from $3 5 million (restated) in 2020 to $15 7 million in 2021 primarily attributable to an increase in headcount in general and administrative staff from 77 as of December 31 2020 to 90 as of December 31 2021 and an increase in average monthly salary in general and administrative staff; (ii) an increase in professional service fees from $1 7 million in 2020 to $4 9 million in 2021 primarily attributable to tax and accounting consulting services incurred during the period; and (iii) increase in rental costs as we increased our number of warehouses

Interest Expenses

We had interest expenses of $46 thousand and $309 thousand in 2020 and 2021 respectively The increase was primarily attributable to increases in charges due to the increase in our financial lease interest expense for warehouses in the U S

Interest Income

We had interest income of $58 thousand and $537 thousand in 2020 and 2021 respectively The increase was primarily attributable to an increase in interest income from providing cash advances to more sellers in 2021 pursuant to our supply chain financing program

Foreign Currency Exchange Gains / (Losses), Net

We had foreign currency exchange losses net of $2 0 million in 2021 compared to foreign currency exchange gains net of $1 0 million in 2020 The change was primarily due to depreciation of the U S dollar against Euro and Japanese Yen

Others, Net

We had other income net of $56 thousand and $156 thousand in 2020 and 2021 respectively The increase was primarily attributable to an increase in government subsidy that was received in 2021

Income Tax Expense

We had income tax expense of $7 8 million and $8 5 million in 2020 and 2021 respectively The increase was primarily attributable to increase in taxable profit due to our business growth

Net Income

As a result of the foregoing our net income was $37 5 million (restated) and $29 3 million in 2020 and 2021 respectively

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Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Revenues

Our revenues which consisted of service revenue generated from GigaCloud 3P and product revenue generated from GigaCloud 1P and off-platform ecommerce sales increased by 125 3% rom $122 3 million in 2019 to $275 5 million in 2020 This increase was primarily due to increases in the number of sellers who listed merchandise in our GigaCloud Marketplace number of buyers who procure la ge parcel merchandise and number of off-marketplace users who used our third-party logistics services for product shipping and handling We do not anticipate significant revenue from third-party logistics services to off-marketplace users in the future The revenue increases was also due to an overall increase demand for large parcel merchandise

- *Service Revenue from GigaCloud 3P* Our service revenues increased by 296 9% from $15 2 million in 2019 to $60 1 million in 2020 This increase was attributable to (i) an increase in revenues from commission fees due to an increase in transactions in our marketplace driven by increase in the number of active 3P sellers by 195 8% from 71 in 2019 to 210 in 2020 and increase in the number of active buyers by 283 0% from 441 in 2019 to 1 689 in 2020; (ii) an increase in revenues from warehousing fees due to an increase in market demand for warehouse services as online home furniture sales increased and (iii) an increase in revenues from delivery fees in line with the increase in market demand for online home furniture We also provided more third-party logistics services to customer in 2020 to help fulfill their large pa cel transportation needs in the U S as the demand increased

- *Product Revenue from GigaCloud 1P* Our product revenues from GigaCloud 1P increased by 189 7% from $42 1 million in 2019 to $122 1 million in 2020 This increase was attributable to an increase in the overall market demand for online home furniture driving the increase in sales per active buyers

- *Product Revenue from Off-platform Ecommerce* Our product revenues from o f-platform ecommerce increased by 43 4% from $65 0 million in 2019 to $93 3 million in 2020 The increase was attributable to an increase in the demand for home furniture and the unit price on third-party ecommerce websites

Cost of Revenues

Our cost of revenues increased by 100 2% from $100 1 million in 2019 to $200 4 million in 2020 which was in line with the overall increase in our revenue

Our cost of services increased by 283 1% from $9 7 million in 2019 to $37 1 million in 2020 primarily due to the increases in the cost associated with operating our rapidly growing GigaCloud Marketplace increase in third-party shipping costs and we had an increase in the deliveries of merchandise that we handle from and to sellers and buyers in our marketplace and increases in rental costs of the portion allocated to our 3P business and numbers of warehouses and staff as we expanded our warehousing and logistic network

Our cost of product sales increased by 80 5% from $90 4 million in 2019 to $163 2 million in 2020 primarily due to the increased products we procured to sell on GigaCloud Marketplace in our 1P business and off-platform ecommerce websites and increases in shipping and handling costs and rental costs of warehouses that were allocated to 1P products

Gross Profit and Gross Margin

As a result of the foregoing our gross profit increased by 238 5% from $22 2 million in 2019 to $75 1 million in 2020 primarily due to the growth in GigaCloud Marketplace GMV and sales volume in our

marketplace Our gross margins increased from 18 1% in 2019 to 27 3% in 2020 primarily due to the increase in our revenues as our GigaCloud Marketplace grew and increased economies of scale achieved through our current marketplace model as we utilized our warehouses and logistics network more cost efficiently Furthermore in 2019 and 2020 as we gradually transitioned our 1P products suppliers from mainland China to other South East Asian countries we reduced our exposure to tariffs on Chinese products and achieved better gross margin

Selling and Marketing Expenses

Our selling and marketing expenses increased by 75 2% from $12 7 million in 2019 to $22 2 million (restated) in 2020 which was mainly due to increases in (i) staff cost from $4 0 million in 2019 to $10 7 million (restated) in 2020 primarily attributable to an increase in headcount and average monthly salary in sales and marketing staff as well as the bonus in accordance with the increased sales; and (ii) platform commission from $6 1 million in 2019 to $7 8 million in 2020 primarily attributable to increases in product sales to individuals on third-party ecommerce websites

General and Administrative Expenses

Our general and administrative expenses increased by 85 0% from $4 7 million in 2019 to $8 7 million (restated) in 2020 which was mainly due to (i) an increase in staff cost from $2 0 million in 2019 to $3 5 million (restated) in 2020 primarily attributable to an increase in general and administrative functions; and (ii) an increase in professional services fees from $0 4 million to $1 7 million primarily attributable to the tax consulting service accounting system development service and attorney fee incurred in 2020

Interest Expense

We had interest expense of nil and $46 thousand in 2019 and 2020 respectively The increase was primarily attributable to increases in charges due to the increase in our financial lease interest expense for warehouses in the U S

Interest Income

We had interest income of $2 thousand and $58 thousand in 2019 and 2020 respectively The increase was primarily attributable to the increase of our cash deposits at financial institutions

Foreign Currency Exchange Gains, Net

Our foreign exchange gains net increased rom $0 2 million in 2019 to $1 0 million in 2020 primarily attributable to the depreciation of the U S dollars against the Euro and British Pounds and the increase of transactions denominated in Euro and British Pounds in 2020

Others, Net

We had other expenses net of $168 thousand in 2019 and other income net of $56 thousand in 2020 primarily attributable to the impairment of an $140 thousand investment made in 2019 in relation to a PRC company with ecommerce business in the U S and Europe

Income Tax Expense

We had income tax expense of $1 9 million and $7 8 million in 2019 and 2020 respectively The increase was primarily attributable to increase in taxable profit due to our business growth

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Net Income

As a result of the foregoing our net income was $37 5 million (restated) in 2020 as compared to $2 9 million in 2019

Non-GAAP Financial Measure

To supplement our consolidated financial statements which are prepared and presented in accordance with U S GAAP we use Adjusted EBITDA which is net income excluding interest income taxes and depreciation further adjusted to exclude share-based compensation expenses a non-GAAP financial measure to understand and evaluate our core operating performance Non-GAAP financial measure which may differ from similarly titled measures used by other companies are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for or superior to the financial information prepared and presented in accordance with U S GAAP The table below sets forth a reconciliation of Adjusted EBITDA from net income for the periods indicated:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2019	2020 Restated*	2021	2021 Restated*	2022
	($ in thousands)				
Net income	**2,857**	**37,455**	**29,257**	**7,983**	**4,739**
Add: Income tax expense	1 945	7 820	8 468	1 950	1 607
Add: Interest expense	—	46	309	65	164
Less: Interest income	(2)	(58)	(537)	(98)	(92)
Add: Depreciation and amortization	128	227	775	128	311
Add: Share-based compensation expense	—	—	9 681	—	199
Adjusted EBITDA	**4,928**	**45,490**	**47,953**	**10,028**	**6,928**

* See "Prospectus Summary—Conventions that Apply to this Prospectus," Note 2(c) of our audited consolidated financial statements and Note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

Liquidity and Capital Resources

Cash Flows and Working Capital

To date we have financed our operating and investing activities mainly through cash generated from our business As of March 31 2022 we had $48 9 million in cash and $0 7 million in restricted cash

In July 2022 we entered into a two-year credit facility agreement with Wells Fargo Bank National Association under which we are able to borrow up to $50 million during the term of the facility The credit facility also requires us to comply with various customary covenants and other restrictions As of the date of this prospectus we have not made any draw down from this credit facility

We believe our cash on hand will be su ficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months We may however need additional cash resources in the future if we experience changes in business conditions or other developments We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment acquisition capital expenditure or similar actions If we determine that our cash requirements exceed the amount of cash we have on hand we may seek to issue equity or equity linked securities or obtain debt financing The issuance and sale of additional equity would result in further dilution to our shareholders The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations We cannot assure you that financing will be available in amounts or on terms acceptable to us if at all

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Although we consolidate the results of our consolidated VIEs we only have access to the assets or earnings of our consolidated VIEs through our contractual arrangements with our consolidated VIEs and their shareholders (as applicable) See "Corporate History and Structure " For restrictions and limitations on liquidity and capital resources as a result of our corporate structure see "—Holding Company Structure "

As a Cayman Islands exempted company and o fshore holding company we are permitted under PRC laws and regulations to provide funding to our PRC Subsidiaries only through loans or capital contributions subject to relevant approval filing and/or reporting with respect to government authorities and limits on the amount of capital contributions and loans This may delay us from using the proceeds from this offering to make loans or capital contributions to our PRC Subsidiaries if any See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investments in PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC Subsidiaries which could materially and adversely a fect our liquidity and our ability to fund and expand our business "

The following table sets forth a summary of our cash flows for the periods presented:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2019	2020	2021	2021	2022
Summary Consolidated Statement of Cash Flow Data:			($ in thousands)		
Net cash provided by (used in) operating activities	1 157	33 284	8 556	(6 459)	(14 512)
Net cash used in investing activities	(944)	(647)	(1 825)	(594)	(80)
Net cash provided by (used in) financing activities	89	23 272	(2 956)	(530)	261
Effect of foreign currency exchange rate changes on cash and restricted cash	139	735	(2 110)	(3)	(5)
Net increase (decrease) in cash and restricted cash	441	56 644	1 665	(7 586)	(14 336)
Cash and restricted cash at the beginning of the year	5 112	5 553	62 197	62 197	63 862
Cash and restricted cash at the end of the year	5 553	62 197	63 862	54 611	49 526

Operating Activities

Net cash used in operating activities in the three months ended March 31 2022 was $14 5 million as compared to net cash used in operation activities of $6 5 million in the three months ended March 31 2021 This was attributable to net income of $4 7 million in the three months ended March 31 2022 compared to net income of $8 0 million (restated) in the three months ended March 31 2021 Net income was adjusted primarily by $7 4 million of lease expense to reduce right-of-use assets in the three months ended March 31 2022 as compared to nil in the three months ended March 31 2021 because we adopted ASC 842 in 2022 which led to adjustment of operating lease liabilities and right-of-use assets while net income was adjusted by $0 4 million of deferred tax in the three months ended March 31 2021 Net income was further adjusted by the changes in working capital which primarily consisted of (i) an increase of $30 2 million in inventories in the three months ended March 31 2022 as shipping costs to procure our inventories including ocean freight costs are included in inventories and the increase in ocean freight costs has contributed to an increase in our inventories and cash outflows in the three months ended March 31 2022 as compared to an increase of $9 7 million in inventories in the three months ended March 31 2021 (ii) a decrease of $6 8 million in operating lease liabilities in the three months ended March 31 2022 as we adopted ASU 2016-02 in 2022 which recognized right-of-use assets and lease liabilities upon lease commencement for the operating leases for our warehouses as compared to nil in the three months ended March 31 2021 (iii) an increase of $8 1 million in accounts payable in the three months ended March 31 2022 as the costs to procure inventories increased as compared to an increase of $0 09 million in the three months ended March 31 2021 and (iv) an increase of $3 1 million in accounts receivable in the three months ended March 31 2022 for the procurement of inventories as compared to an increase of $9 2 million in the three months ended March 31 2021

Net cash provided by operating activities in 2021 was $8 6 million This was attributable to net income of $29 3 million adjusted primarily by (i) $9 7 million of share-based compensation in relation to share options granted to our employees and non-employees service providers which was only recognized in 2021 and (ii) $2 0 million of unrealized foreign currency exchange losses due to appreciation of the U S dollar against Euro and Japanese Yen and (iii) $1 3 million of inventory write-down due to certain slow-moving merchandise and damaged goods as we increased our own inventory which also led to increased write-down; and the changes in working capital which primarily consisted of (i) an increase of $47 1 million in inventories as we significantly increased our own inventory for our 1P sales as consumer demand continued to increase in 2021 and also due to an increase in shipping costs to procure our inventories and particularly ocean freight costs (ii) an increase of $6 3 million in accounts payable as our sales increased driven by the increased numbers of sellers and buyers in our GigaCloud Marketplace and (iii) a decrease of $5 9 million in accounts receivable as we had better collection in 2021

Net cash provided by operating activities in 2020 was $33 3 million This was attributable to net income of $37 5 million (restated) adjusted primarily by $1 0 million of unrealized foreign currency exchange gain; and the changes in working capital which primarily consisted of an increase of $12 0 million in accrued expenses and other current liabilities as our employees number and staff cost increased from 2019 to 2020 partially offset by (i) an increase of $13 9 million in inventories as we increased our own inventory for our 1P sales as consumer demand increased significantly in 2020 due to COVID-19 (ii) an increase of $10 1 million in accounts receivables as our business scale increased and users base grew in our marketplace resulting in more product sales and services revenues and (iii) an increase of $5 2 million in prepayments and other current assets as we increased the advances paid to suppliers for increased procurement of products as consumer demand increased in 2020

Net cash provided by operating activities in 2019 was $1 2 million This was attributable to net income of $2 9 million adjusted primarily by (i) $0 3 million of inventory write-down in relation to damaged goods and slow-moving products (ii) $0 2 million of deferred tax and (iii) $0 1 million of depreciation; and the changes in working capital which primarily consisted of (i) an increase of $9 3 million in accounts payable as we incurred increased accrued freight costs as our product sales increased and (ii) an increase of $2 7 million in accrued expenses and other current liabilities as we increased our staff numbers and vendor payable to expand our business The changes in working capital is further adjusted by (i) an increase of $6 6 million in accounts receivable as our business scale and product sales increased and user base grew in our marketplace (ii) an increase of $6 9 million in inventories as we increased on own inventory for our 1P sales and (iii) an increase of $2 3 million in prepayments and other current asset as we increased the advances paid to suppliers for products to continue our business expansion

Investing Activities

Net cash used in investing activities in the three months ended March 31 2022 was $80 thousand of cash paid for purchase of property and equipment as compared to net cash used in investing activities of $594 thousand of cash paid for purchase of property and equipment in the three months ended March 31 2021

Net cash used in investing activities in 2021 was $1 8 million primarily consisted cash paid for purchase of property and equipment

Net cash used in investing activities in 2020 was $0 6 million primarily consisted cash paid for purchase of property and equipment of $0 7 million

Net cash used in investing activities in 2019 was $0 9 million primarily consisted cash paid for purchase of property and equipment of $0 9 million

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Financing Activities

Net cash provided by financing activities in the three months ended March 31 2022 was $0 3 million primarily attributable to (i) proceeds from prepaid consideration of restricted shares of $1 6 million for employees benefits that we paid in the three months ended March 31 2022 (ii) cash paid for finance lease obligations of $1 2 million and (iii) repayment of bank loans of $85 thousand as compared to net cash used in financing activities of $0 5 million in the three months ended March 31 2021 primarily consisted of cash paid for capital lease obligations of $0 4 million and repayment of bank loans of $0 2 million

Net cash used in financing activities in 2021 was $3 0 million primarily attributable to cash paid for capital lease obligations of $2 5 million and repayment of bank loans of $0 4 million by our subsidiaries in Japan and the U K

Net cash provided by financing activities in 2020 was $23 3 million primarily attributable to (i) proceeds from issuance of preferred shares of $25 0 million and (ii) proceeds from borrowings of $1 2 million partially offset by the repurchase of vested share-based awards of $2 4 million

Net cash provided by financing activities in 2019 was $89 thousand attributable to proceeds of borrowings from a related party

Capital Expenditures

Our capital expenditures consist primarily of purchase of property and equipment Our capital expenditures were $0 9 million $0 7 million $1 8 million and $0 08 million in 2019 2020 2021 in the three months ended March 31 2022 respectively We intend to fund our future capital expenditures with our existing cash balance short-term investments and anticipated cash flows from operations We will continue to make well-planned capital expenditures to meet the expected growth of our business

Contractual Obligations

The following table sets forth our contractual obligations as of March 31 2022:

	Total	Less than 1 Year	1 - 3 Years	More than 3 Years
		(in $ thousands)		
Lease commitment[1]	152 789	33 995	61 884	56 910
Long-term borrowings	470	327	143	—
Total	**153,259**	**34,322**	**62,027**	**56,910**

(1) Lease commitment consists of the commitments under the lease agreements for our warehouses and storage shelves

Except for those disclosed above we did not have any significant capital or other commitments long-term obligations or guarantees as of March 31 2022

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any unconsolidated third parties In addition we have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our consolidated financial statements Furthermore we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit liquidity or market risk support to such entity Moreover we do not have any variable interest in any unconsolidated entity that provides financing, liquidity market risk or credit support to us or engages in leasing, hedging or product development services with us

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Internal Control Over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which we address our internal control over financial reporting We and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting as of December 31 2020 and 2021 As defined in the standards established by the PCAOB a "material weakness" is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis

The material weakness that has been identified relates to our lack of sufficient accounting personnel with appropriate U S GAAP knowledge to prepare financial statements in accordance with U S GAAP and SEC reporting requirements This has resulted in a number of accounting errors and omissions including but not limited to: (1) accounting for the complex transactions such as share-based compensation redeemable convertible preferred shares and uncertain tax provision; (2) adoption of newly issued accounting standards such as new leases standard; and (3) preparation of financial statements disclosure in accordance with U S GAAP For example our company's previously issued 2019 and 2020 consolidated financial statements and the company's previously issued unaudited condensed financial statements as of and for the three months ended March 31 2021 were restated due to certain errors in relation to the recognition of share-based compensation expenses For details please efer to note 2(c) to our consolidated financial statements and note 1(b) of our unaudited condensed consolidated financial statements included elsewhere in this prospectus

We are in the process of implementing a number of measures to address the material weakness identified including: (1) hiring additional accounting and financial reporting personnel with U S GAAP and SEC reporting experience (2) expanding the capabilities of existing accounting and financial reporting personnel through continuous training and education in the accounting and reporting requirements under U S GAAP and SEC rules and regulations (3) establishing clear roles and responsibilities to develop and implement formal comprehensive financial period-end closing policies and procedures to ensu e all transactions are properly recorded and disclosed and (4) establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our consolidated financial statements and related disclosures

The process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satis y our reporting obligation See "Risk Factors—Risks Related to Our Class A Ordinary Shares and this Offering—We have identified one material weakness in our internal control over financial reporting If our remediation of the material weakness is not effective or if we experience additional material weaknesses in the future or otherwise fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely consolidated financial statements could be impaired investors may lose confidence in our financial reporting and the trading price of our Class A ordinary shares may decline "

As a company with less than $1 07 billion in revenues for the fiscal year ended December 31 2021 we qualify as an "emerging growth company" pursuant to the JOBS Act An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards See "Risk Factors—Risks Related to Our Class A Ordinary Shares and this Offering—We are an emerging growth company and the reduced disclosure requirements applicable to emerging growth companies may make our Class A ordinary shares less attractive to investors "

Holding Company Structure

Our company GigaCloud Technology Inc is a holding company incorporated in the Cayman Islands with no material operations of its own and not a direct Chinese or Hong Kong operating company We conduct our operations primarily through our principal subsidiaries and principal consolidated VIEs As a result our ability to pay dividends depends upon dividends paid by our subsidiaries and consolidated controlled a filiates If our subsidiaries or consolidated VIEs incur debt on their own behalf in the future the instruments governing their debt may restrict their ability to pay dividends to us

In addition as determined in accordance with local regulations our subsidiaries and consolidated VIEs in certain of our markets may be restricted from paying us dividends offshore or from transferring a portion of their assets to us either in the form of dividends loans or advances unless certain requirements are met or regulatory approvals are obtained In addition our subsidiaries and consolidated VIEs may be restricted in their ability to pay dividends or distributions or make other transfers to us as a result of the laws of their respective jurisdictions of o ganization and agreements of our subsidiaries and consolidated VIEs See “Dividend Policy ” Even though we currently do not require any such dividends loans or advances from our entities for working capital and other funding purposes we may in the future require additional cash resources from them due to changes in business conditions to fund future acquisitions and development or merely to declare and pay dividends or distributions to our shareholders

Inflation

To date inflation in mainland China has not materially impacted our results of operations According to the National Bureau of Statistics of China the year-over-year percent changes in the consumer price index for 2020 and 2021 were increases of 2 5% and 0 9% respectively In the U S in 2022 as well as presently we have experienced inflationary pressures across various parts of our business and operations including, but not limited to rising costs across our supply chain We continue to monitor the impact of inflation in order to minimize its effects through revisions in our budgeting strategy and procurement efforts We have entered into a number of contracts with third party transportation service providers to mitigate the impact against any further increase in ocean freight costs in the short-term If our costs were to be subject to more significant inflationary pressures we may not be able to fully offset such higher costs through price increases or other cost efficiency measures Our inability or failure to do so could harm our business financial condition and results of operations

Quantitative and Qualitative Disclosures about Market Risk

Foreign Exchange Risk

We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk Although our exposure to foreign exchange risks should be limited in general the value of your investment in our Class A ordinary shares will be affected by the exchange rate between U S dollar and the local currency in the markets we operate because the value of our business is effectively denominated in the local currency while our Class A ordinary shares will be traded in U S dollars For example in July 2005 the PRC government changed its decades-old policy of pegging the value of the RMB to the U S dollar The conversion of Renminbi into foreign currencies including U S dollars is based on rates set by the People’s Bank of China Since June 2010 the RMB has fluctuated against the US dollar at times significantly and unpredictably It is difficult to predict how market forces or the government policy may impact the exchange rate between the RMB and the U S dollar in the future See “Risk Factors—Risks Related to Our Class A Ordinary Shares and this Offering—Fluctuations in currency exchange rates may have a material adverse effect on our results of operations and the value of your investment ”

To the extent that we need to convert U S dollars into the local currency for our operations appreciation of the local currency against the U S dollar would reduce the local currency amount we receive

from the conversion Conversely if we decide to convert the local currency into U S dollars for the purpose of making payments for dividends on our ordinary shares servicing our outstanding debt or for other business purposes appreciation of the U S dollar against the local currency would reduce the U S dollar amounts available to us

Interest Rate Risk

Our borrowings bear interests at fixed rates If we were to renew these borrowings we may be subject to interest rate risks

We have not been exposed to material risks due to changes in market interest rates and we have not used any derivative financial instruments to manage our interest risk exposure However we cannot provide assurance that we will not be exposed to material risks due to changes in market interest rate in the future

After the completion of this o fering we may invest the net proceeds we receive from the offering in interest-earning instruments Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates while floating rate securities may produce less income than expected if interest rates fall

Critical Accounting Policies

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made and if different accounting estimates that reasonably could have been used or changes in the accounting estimates that are reasonably likely to occur periodically could materially impact the consolidated financial statements

We prepare our financial statements in conformity with U S GAAP which requires us to make judgments estimates and assumptions We continually evaluate these estimates and assumptions based on the most recently available information our own historical experience and various other assumptions that we believe to be reasonable under the circumstances Since the use of estimates is an integral component of the financial reporting process actual results could differ from our expectations as a result of changes in our estimates Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates

The following descriptions of critical accounting policies judgments and estimates should be read in conjunction with our consolidated financial statements and accompanying notes and other disclosures included in this prospectus When reviewing our financial statements you should consider (i) our selection of critical accounting policies (ii) the judgments and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions

Revenue Recognition

We recognize revenues when we satisfy a performance obligation by transferring a promised good or service (that is an asset) to a customer An asset is transferred when the customer obtains control of that asset

We evaluate whether it is appropriate to record the gross amount of merchandise sales and related costs or the net amount earned as commissions When we are a principal that obtains control of the specified goods or services before they are transferred to the customers our revenues should be recognized in the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or services transferred When we are an agent and our obligation is to facilitate third parties in fulfilling their performance obligation for specified goods or services the revenues should be recognized in the net amount for the amount of commission which we earn in exchange for arranging for the specified goods or services to be provided by other parties Revenues are recorded net of value-added taxes

We focus on selling la ge parcel merchandise to various distributors and individual customers as well as the provision of ecommerce solutions on our own platform GigaCloud Marketplace with which we utilize to democratize access and distribution globally to manufacturers or sellers and online resellers or buyers without borders Our revenues include revenues from product sales and services Product sales include sales on the GigaCloud Marketplace or GigaCloud 1P and sales to and through third-party ecommerce websites or O f-platform ecommerce Service revenues are generated from services provided to registered users including sellers and buyers on GigaCloud Marketplace or GigaCloud 3P

We launched a remorse protection program in 2021 pursuant to which buyers on the GigaCloud Marketplace can elect to participate on a transaction-by-transaction basis Pursuant to the program buyers shall pay us a fee ranging from 2 0% to 3 8% of the underlying purchase price of the related products they buy in the GigaCloud Marketplace and we aim at covering a portion of the buyers' risk when our customers seek compensation/discount on certain items for non-product quality reasons and when actual losses are incurred for up to 60 days from the shipment of products

We see our remorse protection program as a price differentiation strategy ta geted at the more risk-averse buyers in GigaCloud Marketplace We determine that the fee under the remorse protection program should be calculated based on the purchaser price of the underlying products purchased by the buyers regardless whether the purchase was made through product sales under GigaCloud 1P or platform services under GigaCloud 3P In addition notwithstanding the additional potential for compensation to buyers under the remorse protection program we have determined that our nature of promise of performance under the remorse protection program to our buyers in GigaCloud Marketplace is no different from the nature of our promise of performance to other buyers that do not enroll into the program as we have not promised any further performance to our buyers as a result of the program

Accordingly we have determined that the performance obligation under the remorse protection program is satisfied at the same point in time as other transactions in GigaCloud Marketplace where the buyers do not enroll in the remorse protection program when the control over the underlying products is transferred to the customers The potential for compensation results in the transaction price of the product sales under GigaCloud 1P or platform services under GigaCloud 3P being variable under ASC 606-10-32-6 In this connection we have taken into account the constraint guidance in ASC 606-10-32-11 and has only included that part of the variable consideration in the transaction price of our product sales under GigaCloud 1P and platform services under GigaCloud 3P such that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved We have estimated the amount of variable consideration to be included in the transaction using the "expected value" method and would update its estimated transaction price at the end of each reporting period Liabilities embodied by us due to the obligations under the remorse protection program were included in "Accrued expenses and other current liabilities "

GigaCloud 3P

We enter into contracts with customers which often include promises to transfer multiple services For these contracts we account for individual performance obligations separately if they are capable of being distinct and distinct within the context of the contract Determining whether services are considered distinct performance obligations may require significant judgment Judgment is also required to determine the stand-alone selling price for each distinct performance obligation

We charge commission fees for sales transaction consummated in GigaCloud Marketplace We act as an agent as we do not take control of the merchandise provided by the sellers at any time during the transactions and we do not have latitude over pricing of the merchandise We set a percentage of the transacted product value as commission fees initially when a transaction is completed; and for customers whose monthly transaction value reaches certain specified hurdles they would receive a varying level of credits that is applied retrospectively depending on the tier they have reached Revenue of commission fee is recognized upon

successful sales of the merchandise by the sellers when the buyers take ownership and control of the merchandise at their wish As we reset and confirm the credit and hence the effective rate of commission fee for each seller at the end of each calendar month no estimation is required beyond the end of each month Since the remorse protection program was launched in 2021 any credits under the program are accounted for as variable consideration when estimating the amount of revenue from commission fees to be recognized to the extent that it is probable that a significant reversal of revenue will not occur Consistent with the estimation for the similar credits for product sales under GigaCloud 1P the Group adopts the "expected value" method when estimating such variable consideration and the estimates are updated as additional information becomes available

We also offer comprehensive supply chain solutions for sellers We provide services to help the sellers to ship the merchandise from the sellers' manufacturing facility to our oversea warehouses utilizing our extensive shipping network consisting of ocean transportation providers custom declaration agents and domestic shipping companies Further we also provide warehousing service to the sellers and buyers whoever have the ownership of the merchandise in connection with the storage of merchandise in our warehouses as well as the last-mile delivery services from our warehouses to domestic destinations designated by the buyers Revenues resulting from these services are recognized over time as we perform the services in the contracts with continuous transfer of control to the sellers or buyers and they could simultaneously receive and consume the benefits of our performance as it occurs We are acting as a principal in providing warehousing service ocean transportation service and last-mile delivery services and recognizes revenue on a gross basis as we determine the price and selects carriers on its own discretion

The sellers and buyers could choose one or several of the above-mentioned services in our GigaCloud Marketplace Therefore there may be multiple performance obligations included in one transaction Revenue is allocated to each performance obligation based on its standalone selling price We generally determine standalone selling prices based on observable prices If the standalone selling price is not observable through past transactions we estimate the standalone selling price based on multiple factors including but not limited to management approved price list or cost-plus margin analysis

GigaCloud 1P

We sell our merchandise to our customers who are the buyers of the GigaCloud Marketplace We recognize revenues net of discounts and return allowances Such revenue is recognized at the point in time when the control of the merchandise is transferred to the buyers which generally occurs upon the shipment out of our warehouses to the destination designated by the buyers

Off-platform Ecommerce

There are two sales model under to Off-platform ecommerce which includes (a) product sales made to third-party ecommerce websites or Product Sales to B; and (b) product sales to individual customers through third-party ecommerce websites or Product Sales to C

<u>Product Sales to B</u>

We sell our merchandise to third-party ecommerce websites who normally designate carriers to pick up merchandise from our warehouses We recognize revenue net of discounts and return allowances Such revenue is recognized at the point in time when the third-party ecommerce websites obtain control of the merchandise which occurs when the shipment is out of our warehouse and picked up by the carriers designated by the third-party ecommerce websites As expenses charged by these websites are not in exchange for a distinct good or service therefore the payments to these websites which are our customers are not recognized as expenses but recorded net of revenues

Product Sales to C

We sell our merchandise to individual customers through third-party ecommerce websites We recognize revenue when the control is transferred to the individual customers at an amount that reflects the consideration to which we expect to be entitled in exchange of that merchandise Revenue is recognized at the point in time when the individual customers take possession of merchandise which is when a merchandise is delivered to the customers Expenses incurred for product sales made through these websites which are considered as platform commission are recorded as selling and marketing expenses

Regarding GigaCloud 1P and Off-platform ecommerce we recognize revenue on a gross basis as we are acting as a principal in these transactions and are responsible for fulfilling the promise to provide the specified merchandise Significant judgement is required to estimate the variable consideration incurred which include return allowances as well as the variable consideration arising from the remorse protection program We estimate the variable consideration based on the volatility of markets and our past experience with similar types of product sales and include the amounts of variable consideration in the transaction price to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved Such estimates are made using the "expected value" method and is updated as and when additional information is available Liabilities for variable consideration were included in "Accrued expenses and other current liabilities "

Share based Compensation

We apply ASC 718 to account for our share-based payments In accordance with ASC 718 we determine whether an award should be classified and accounted for as a liability award or an equity award All of our share-based awards to employees and non-employee service providers were classified as equity awards

Share-based awards granted to employees and non-employee service providers are subject to service and performance conditions They are measured at the grant date fair value of the awards and are recognized as compensation expenses using the straight-line basis over the requisite service period if and when we consider that it is probable that the performance condition will be achieved The fair value of the share awards is estimated using the binomial option pricing model and is affected by the price of the ordinary shares as well as the assumptions regarding a number of complex and subjective variables including risk-free interest rate exercise multiple and expected dividend yield The fair value of these awards was determined by management with the assistance from a valuation report prepared by an independent valuation firm using management's estimates and assumptions We elect to recognize the effect of forfeitures in compensation costs when they occur

A change in any of the terms or conditions of share-based awards is accounted for as a modification of the awards Regarding a "not probable-to-probable" modification which refers to the modification of the award that is not expected to vest under the original vest condition at the date of the modification we recognize total compensation cost equal to the modified award's fair value at the date of the modification

The fair values of the options granted are estimated on the dates of grant using the binomial option pricing model with the following assumptions used

Grant dates:	For the year ended December 31, 2020	For the year ended December 31, 2021	For the Three Months Ended March 31, 2022
Risk-free rate of return	0 67%	1 46%	1 80%
Volatility	45 23%	44 17%	43 6%
Expected dividend yield	0 00%	0 00%	0 0%
Exercise multiple	2 20/2 80	2 20/2 80	2 20/2 80
Fair value of underlying ordinary share	$2 35	$6 15	$7 50
Expected terms	10 years	10 years	10 years

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of our options The risk-free interest rate was estimated based on the yield to maturity of U S treasury bonds denominated in US$ for a term consistent with the expected term of our options in effect at the option valuation date Expected dividend yield is zero as we do not anticipate any dividend payments in the foreseeable future The expected exercise multiple was estimated as the average ratio of the stock price to the exercise price of when employees would decide to voluntarily exercise their vested options Expected term is the contract life of the option

As disclosed in “Capitalization” included elsewhere in this prospectus unrecognized compensation expenses of $9 7 million relating to the share-based awards is expected to be recognized cumulatively upon the completion of this offering which may lead to significant decrease of net profit or even loss in the quarter when the offering is completed

Income Taxes

We account for income taxes using the asset and liability method Cu rent income taxes are provided on the basis of income before income taxes for financial reporting purposes and adjusted for income and expense items which are not assessable or deductible for income tax purposes in accordance with the regulations of the relevant tax jurisdictions Under this method deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for operating loss and tax credit carryforwards Deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the consolidated statements of comprehensive income in the period that includes the enactment date A valuation allowance is provided to reduce the amount of deferred income tax assets if based on the weight of available evidence it is more-likely-than-not that some portion or all of the deferred income tax assets will not be realized This assessment considers among other matters the nature frequency and severity of current and cumulative losses forecasts of futures profitability the duration of statutory carryforward periods our experience with operating loss and tax credit carryforwards if any not expiring

We apply a “more-likely-than-not” recognition threshold in the evaluation of uncertain tax positions We recognize the benefit of a tax position in our consolidated financial statements if the tax position is “more-likely-than-not” to prevail based on the facts and technical merits of the position Tax positions that meet the “more-likely-than-not” recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement Unrecognized tax benefits may be affected by changes in interpretation of laws rulings of tax authorities tax audits and expiry of statutory limitations In addition changes in facts circumstances and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions Accordingly unrecognized tax benefits are periodically reviewed and re-assessed Adjustments if required are recorded in our consolidated financial statements in the period in which the change that necessities the adjustments occur The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and in certain circumstances a tax appeal or litigation process We record interest and penalties related to unrecognized tax benefits (if any) in interest expense and general and administrative expenses respectively

As disclosed in the note of our consolidated financial statements as of December 31 2020 and 2021 we had recognized tax provision on transfer pricing adjustments Under PRC laws and regulations an arrangement or transaction among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the arrangement or transaction takes place If this occurs the PRC tax authorities could request our subsidiaries and consolidated VIEs to adjust their taxable income in the form of a transfer pricing adjustment for PRC tax purposes if contractual arrangements among related parties do not represent arm’s length prices Such a pricing adjustment could adversely a fect us by increasing our subsidiaries’

and VIEs' tax expenses without a corresponding reduction in the tax expenses which in turn could subject to late payment fees and other penalties for underpayment of taxes

Recent Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in Note 2 "Recent accounting pronouncements" to our consolidated financial statements included elsewhere in this prospectus

BUSINESS

Business Overview

We are a pioneer of global end-to-end B2B ecommerce solutions for large parcel merchandise Our B2B ecommerce platform which we refer to as the “GigaCloud Marketplace ” integrates everything from discovery payments and logistics tools into one easy-to-use platform Our global marketplace seamlessly connects manufacturers primarily in Asia with resellers primarily in the U S Asia and Europe to execute cross-border transactions with confidence speed and efficiency We offer a true comprehensive solution that transports products from the manufacturer’s warehouse to end customers all at one fixed price We first launched our marketplace in January 2019 by focusing on the global furniture market and have since expanded into additional categories such as home appliances and fitness equipment GigaCloud Marketplace is one of the fastest growing la ge parcel B2B marketplaces with over $190 5 million $414 2 million and $438 1 million of GMV transacted in our marketplace in 2020 2021 and the 12 months ended March 31 2022 respectively

We built the GigaCloud Marketplace to democratize access and distribution globally so that manufacturers who are typically sellers in our marketplace and online resellers who are typically buyers in our marketplace could transact without borders Manufacturers view our marketplace as an essential sales channel to thousands of online resellers in the U S and Europe Our GigaCloud Marketplace enables manufacturers to deliver their products around the world Additionally online resellers may lack the resources and infrastructure to manage a global supply chain and support international distribution Our integrated ecommerce solutions allow online resellers to offer products and services comparable to those offered by large ecommerce platforms by giving them access to a large and g owing catalog of products at wholesale prices supported by industry-leading global fulfillment capabilities

To enhance our marketplace experience we sell our own inventory or 1P through the GigaCloud Marketplace and to and through third-party ecommerce websites such as Rakuten in Japan Amazon and Walmart in the U S and Wayfair in the U K These 1P revenues expand our market presence reduce inventory and logistics risk for sellers create more products for buyers drive volume-based cost efficiencies for sourcing products provide us with proprietary data and increase the velocity of sales on our marketplace 1P revenues through the GigaCloud Marketplace and to and through third-party ecommerce websites represented 78 2% 76 3% 78 4% and 72 2% of total revenues in 2020 2021 and the three months ended March 31 2021 and 2022 respectively As our GigaCloud Marketplace continues to grow we expect 1P revenues as a percentage of total revenues to decline over time

We have built a cross-border fulfillment network optimized for large parcel products We operate warehouses in four countries across North America Europe and Asia The U S is our largest market We operate 21 large-scale warehouses around the world totaling over four million square feet of storage space cover 11 ports of destination with over ten thousand annual containers and have an extensive shipping and trucking network via partnerships with major shipping trucking and freight service providers By servicing the entire supply chain we offer sellers and buyers in our marketplace enhanced visibility into product inventory reducing turnover time and lower transaction costs On average we are able to deliver products to end customers within one week of their order and at a fixed rate that is cheaper than standard rates from FedEx and UPS

We have AI software that generates seller ratings and credit profiles through volume data Additionally our AI optimizes routing by organizing incoming orders and rebalancing inventory levels within our warehousing network Our software platform includes flexible trading tools with which sellers can set prices based on quantities delivery dates and fulfillment methods and buyers have the option to purchase merchandise individually or in bulk

We leverage our proprietary data and AI to accelerate the network effects in our marketplace As our marketplace grows we accumulate user and product data to develop analytical and predicative tools such as product sales forecasts This information is valuable to our sellers as it allows them to efficiently manage

inventory and pricing As sellers succeed in our marketplace more sellers join which expands our merchandise offerings Our broad merchandise selection competitive pricing and virtual warehousing capabilities encourage buyers to join and transact in our marketplace More buyer activity leads to more sellers creating a virtuous cycle

In 2020 we had 210 active 3P sellers and 1 689 active buyers in our GigaCloud Marketplace representing a year-over-year increase of 195 8% and 283 0% respectively In 2020 our users transacted $190 5 million of GigaCloud Marketplace GMV with an average spend per buyer of $112 777 This is a 437 0% year-over-year increase in GigaCloud Marketplace GMV and a 40 2% year-over-year increase in average spend per buyer from 2019 respectively Combined with off-platform ecommerce GMV of $93 2 million the total transactions that we facilitated aggregated a GMV of $283 7 million in 2020

In 2021 we had 382 active 3P sellers and 3 566 active buyers in our GigaCloud Marketplace representing a year-over-year increase of 81 9% and 111 1% respectively In 2021 our users transacted $414 2 million of GigaCloud Marketplace GMV with an average spend per buyer of $116 150 This is a 117 4% year-over-year increase in GigaCloud Marketplace GMV and a 3 0% year-over-year increase in average spend per buyer from 2020 respectively Combined with off-platform ecommerce GMV of $127 6 million the total transactions that we facilitated aggregated a GMV of $541 8 million in 2021

In the 12 months ended March 31 2022 we had 410 active 3P sellers and 3 782 active buyers in our GigaCloud Marketplace representing a year-over-year increase of 73 7% and 76 9% respectively In the 12 months ended March 31 2022 our users transacted $438 1 million of GigaCloud Marketplace GMV with an average spend per buyer of $115 845 This is a 69 1% year-over-year increase in GigaCloud Marketplace GMV and a 4 4% year-over-year decrease in average spend per buyer from the 12 months ended March 31 2021 respectively Combined with off-platform ecommerce GMV of $122 7 million the total transactions that we facilitated aggregated a GMV of $560 8 million in the 12 months ended March 31 2022 representing a 54 1% increase in GMV year-over-year from the 12 months ended March 31 2021

We experienced significant growth over the last three years In 2019 2020 2021 and the three months ended March 31 2021 and 2022:

- We generated total revenues of $122 3 million $275 5 million $414 2 million $94 5 million and $112 4 million respectively representing 125 3% and 50 4% year-over-year growth in 2020 and 2021 respectively and 19 0% period-over-period growth in the three months ended March 31 2022;

- We generated gross profit of $22 2 million $75 1 million $89 6 million $20 9 million and $16 9 million respectively representing 18 1% 27 3% 21 6% 22 1% and 15 0% of total revenues respectively;

- Our net income was $2 9 million $37 5 million (restated) $29 3 million $8 0 million (restated) and $4 7 million respectively; and

- Our Adjusted EBITDA was $4 9 million $45 5 million $48 0 million $10 0 million and $6 9 million respectively

See “Selected Consolidated Financial and Operating Data—Non-GAAP Financial Measures” for information regarding our use of Adjusted EBITDA and a reconciliation of net income to Adjusted EBITDA

Below is a summary of our key financial and operating metrics for the periods indicated:

	For the Year Ended December 31,			For the 12 Months Ended March 31,	
GigaCloud Marketplace:	**2019**	**2020**	**2021**	**2021**	**2022**
GigaCloud Marketplace GMV (in $ thousands)	$ 35 468	$ 190 480	$ 414 192	$ 259 050	$ 438 126
Active 3P sellers	71	210	382	236	410
Active buyers	441	1 689	3 566	2 138	3 782
Spend per active buyer (in $)	$ 80 427	$ 112 777	$ 116 150	$ 121 165	$ 115 845

Despite the global disruption including fulfillment network capacity and supply chain constraints caused by the COVID-19 pandemic our growth was accelerated by the trend of consumers purchasing products online as consumers are furnishing their apartments and homes to better serve their work-at-home and play-at-home needs during the COVID-19 pandemic In the second quarter of 2020 our GigaCloud MarketPlace GMV grew at 122 9% compared to the p evious quarter which was the highest quarter-over-quarter growth rate of our GigaCloud MarketPlace GMV in 2020 We believe the onset of the COVID-19 pandemic has accelerated the adoption of our marketplace and our GigaCloud MarketPlace GMV continued to grow in the remaining quarters in 2020 2021 and in the first quarter of 2022

We are focused on facilitating B2B ecommerce transactions in our GigaCloud Marketplace We generate 3P and 1P revenues through three revenue streams:

- ***GigaCloud 3P:*** generates service revenues by facilitating transactions between sellers and buyers in our marketplace
- ***GigaCloud 1P:*** generates product revenues through the sale of our inventory in our marketplace
- ***Off platform Ecommerce:*** generates product revenues through the sale of our inventory to and through third-party ecommerce websites

GigaCloud 3P and GigaCloud 1P together make up our GigaCloud Marketplace generating service revenues and product revenues respectively GigaCloud 1P and off-platform ecommerce make up our total 1P or product revenues These three revenue streams complement each other to improve our value proposition to sellers and buyers in our GigaCloud Marketplace

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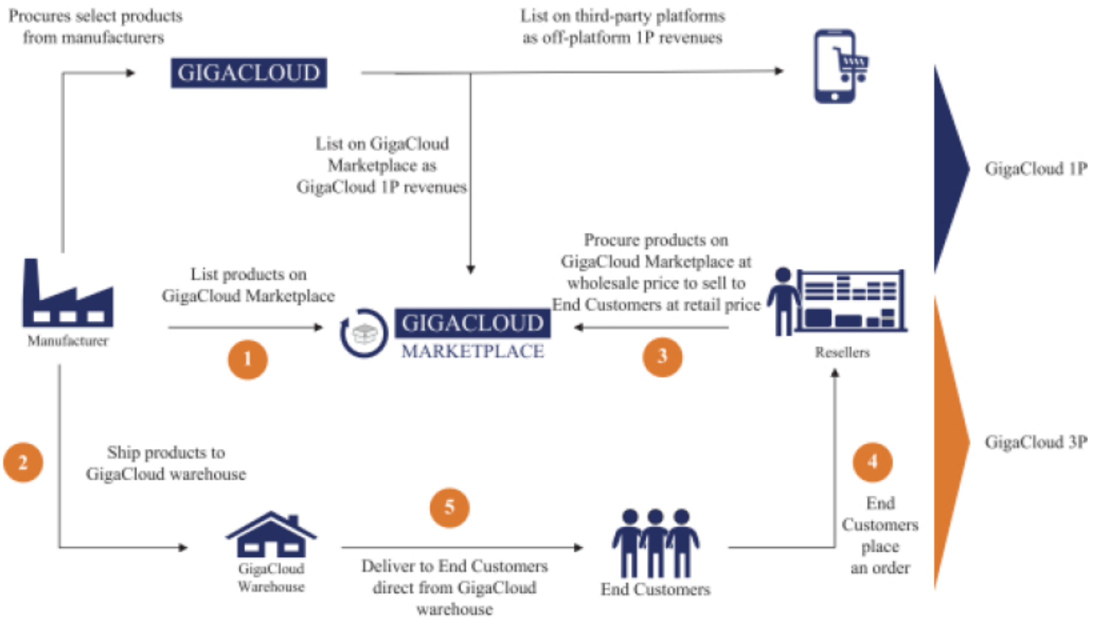
The GigaCloud Marketplace our global B2B ecommerce platform integrates everything from product discovery payments and logistics tools into one easy-to-use platform Sellers and buyers from our targeted markets around the world leverage our cross-border fulfillment network which is optimized for la ge parcel products in order to trade with each other while saving costs Underpinned by a network of strategically-placed warehouses and supply chain capabilities our marketplace is designed to simplify and mitigate logistics and inventory requirements for both our sellers and buyers



GigaCloud 3P

Through GigaCloud 3P we derive service revenues through the various activities of sellers and buyers in our GigaCloud Marketplace which result in commission fees warehousing fees last mile delivery fees fulfillment fees and other fees When a seller and buyer enter into a transaction in GigaCloud Marketplace we earn a percentage commission depending on the transaction value The standard commission ranges between 1% and 5% depending on the size of the transaction We also charge warehousing fees in connection with the storage of products in our warehouses last-mile delivery fees if the buyer requires last-mile delivery services and fulfillment fees for other freight services such as delivery of products via ocean transportation In 2019 2020 2021 and in the three months ended March 31 2022 from time to time when we had excess fulfillment capacity we also provided third-party logistics services to customers to help fulfill their large parcel transportation in the U S leveraging our extensive logistics network Given the growth of our marketplace moving forward we expect to use our fulfillment capacity predominantly for GigaCloud Marketplace customers only o fering separate third-party logistics services to optimize utilization As we continue to grow our GigaCloud Marketplace we expect to dedicate our logistics capacity to products sold on our own marketplace and will opportunistically provide third-party logistics services when there is excess capacity within our network

GigaCloud 1P

Through GigaCloud 1P we further enhance our marketplace experience by selling our own inventory Our 1P selling creates more products for buyers gives us insights into seller needs provides us with proprietary data and increases the velocity of sales in our marketplace Our GigaCloud 1P business generates revenues from product sales

Off-platform Ecommerce

In addition to facilitating transactions in our GigaCloud Marketplace we also procure highly-rated products directly from manufacturers and sell them directly to and through third-party websites such as Rakuten Amazon Walmart and Wayfair as part of our off-platform ecommerce business Off-platform ecommerce sales deepen our relationships with sellers and provide us with proprietary data Our off-platform ecommerce business generates revenues from product sales to both end customers and to third-party ecommerce websites

Sellers and Buyers

In 2020 and 2021 GigaCloud Marketplace had 210 and 382 active 3P sellers and 1 689 and 3 566 active buyers respectively In the 12 months ended March 31 2022 GigaCloud Marketplace had 410 active 3P sellers and 3 782 active buyers Sellers in our marketplace are typically manufacturers based in Asia who are able to leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics as well as decouple from intermediaries The buyers in our marketplace are typically resellers based in the U S and Europe that procure products at wholesale price and subsequently sell on third-party B2C platforms

We enter into open-ended framework agreements terminable by notice from either party with the manufacturers that act as 3P sellers in our GigaCloud Marketplace that entitle us to a commission on sales as well as warehousing and logistics fees for storage and shipping across our network The standard commission ranges between 1% and 5% depending on the size of the transaction The buyers or resellers in our GigaCloud Marketplace must agree to our standard terms in order to maintain an account and place orders on our platform

We believe that as more manufacturers join our marketplace as sellers more resellers will join our marketplace as buyers Our GigaCloud 1P and off-platform ecommerce business accelerate this virtuous cycle by adding sellers into our ecosystem

Our Value Proposition to Sellers

We lower the barriers to entry for sellers in our marketplace who are able to quickly gain access to the key global markets in which we operate including the U S the U K Germany and Japan Sellers can directly connect with resellers in our marketplace and leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics We manage the entire logistics process from the moment the product leaves the factory floor and simplify the process by offering a flat rate program for shipping and

handling Leveraging our algorithm we determine when and where to ship a product reduce the amount of time a product is handled and select the most effective delivery mechanism for the product Sellers are able to leverage our warehouse space which we charge on a per cubic foot per day basis in order to increase warehouse utilization rates and reduce cost Our platform provides multiple channels through which sellers can sell their product enhancing their inventory turnover rate and increasing their profitability Many of the sellers operating in our GigaCloud Marketplace were originally suppliers of our 1P inventory that later joined the GigaCloud Marketplace as 3P sellers

Our Value Proposition to Buyers

Our marketplace offers one-stop-shop logistics solutions for a broad catalog of large parcel products sourced globally We offer virtual warehousing and multiple fulfillment solutions including cloud courier cloud wholesale fulfillment white glove and drop shipping solutions so buyers do not need to manage physical order fulfillment With 21 la ge-scale warehouses strategically positioned in key markets around the world we have the capability to reach over 90% of customers in the lower 48 states in the U S within an average of three days of delivery time Our solution effectively minimizes inventory risk for buyers and allows them to reach customers across geographies at an affordable price

We also provide buyers the optionality to pre-sell products through their own channels before placing an order in GigaCloud Marketplace This significantly reduces buyers' working capital needs and allow them to scale more efficiently

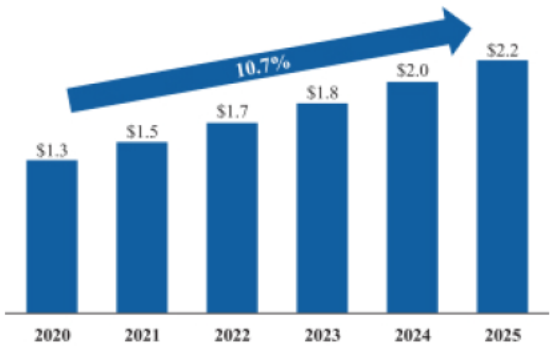
Our Market Opportunity

The U S B2B la ge parcel market is massive and underpenetrated by ecommerce largely due to the supply chain complexities of moving bulky items We expect increasing adoption of end-to-end B2B ecommerce marketplaces by manufacturers and resellers globally as they compete against large ecommerce platforms in today's digital retail economy

The U.S. B2B ecommerce market is massive and fast growing

The U S B2B market is estimated at $14 8 trillion nearly three times the size of the U S retail sales market and is currently underpenetrated by ecommerce According to Frost and Sullivan ecommerce penetration for U S B2B sales is estimated at 9 0% lagging U S retail sales penetration of 14 3% indicating substantial room for long-term growth Frost and Sullivan estimates that U S B2B ecommerce sales has reached $1 3 trillion in 2020 and it is expected to grow at a CAGR of 10 7% from 2020 to 2025 reaching $2 2 trillion

U.S. B2B Ecommerce Sales (in $ trillions)



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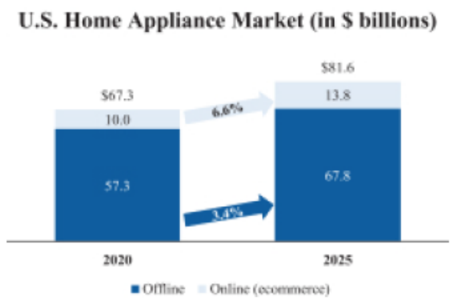
The U.S. large parcel market is rapidly shifting online

Benefiting from the proliferation of the internet and smart phones consumers are increasingly making purchase decisions online Today's ecommerce platforms offer consumers a wide selection of products shopping schedule flexibility multiple payment options and speedy delivery services unmatched by brick-and-mortar stores In the core large parcel categories including furniture and home appliance COVID-19 has accelerated the trend of consumers purchasing products online as consumers are furnishing their apartments and homes to better serve their work-at-home and play-at-home needs We expect this trend to continue in the coming years as remote working arrangements have become increasingly common Frost and Sullivan estimates online sales for furniture and home appliance have reached $16 2 billion and $10 0 billion in 2020 respectively and they are expected to grow at a CAGR of 10 1% and 6 6% to $26 1 billion and $13 8 billion from 2020 to 2025 respectively



B2B marketplaces will play an increasingly critical role in today's digital retail economy

In today's digital retail economy B2B ecommerce marketplaces play a critical role in leveling the playing field between small to medium-sized retailers and large ecommerce platforms To win customers resellers not only compete on product quality and price but also on selection delivery speed and customer service Delivering on all of these criteria is especially challenging in the large parcel market given the difficulties of moving bulky items Small to medium-sized resellers often lack the resources to invest in their own supply chains and therefore tend to struggle to compete against well-capitalized large ecommerce platforms

B2B ecommerce marketplaces o fer low-cost end-to-end supply chain solutions so that resellers can focus on growing sales without needing to create their own supply chains We believe B2B marketplaces will become an increasingly important part of the digital retail economy

Competitive Strengths

Pioneering Cross Border B2B Ecommerce Marketplace for the Large Parcel Market

We are a pioneer within the B2B marketplace where sellers and buyers trade large parcel products without borders We are a trusted marketplace with 210 active 3P sellers and 1 689 active buyers in our marketplace for the year ended December 31 2020 an increase of 195 8% and 283 0% over the previous year respectively In 2021 we had 382 active 3P sellers and 3 566 active buyers in our marketplace representing an increase of 81 9% and 111 1% respectively over the same period in the previous years In the 12 months ended March 31 2022 we had 410 active 3P sellers and 3 782 active buyers in our marketplace representing an increase of 73 7% and 76 9% respectively over the same period in the previous year Sellers are able to leverage our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics Buyers are offered a broad variety of products at wholesale prices along with a virtual warehousing solution and multiple fulfillment solutions including cloud courier cloud wholesale fulfillment white glove and drop shipping

solution to trade products with minimal inventory risk Our compelling value proposition to both sellers and buyers in our marketplace will position us as partner of choice as online sales of large parcel products accelerate

Compelling Value Proposition to both Sellers and Buyers Enhanced by Network Effects

We are an essential solution provider to both our sellers and buyers Our sellers consider us as an essential partner to help advertise and distribute products in overseas markets at low costs Our buyers view our marketplace as a trading environment with minimized risks where they procure large catalogs of products at wholesale price and fulfill consumer orders using our industry-leading supply chain In 2021 the annual retention rate for our 3P sellers and buyers averaged 86 2% and 60 2% respectively Annual retention rate refers to 3P sellers and buyers who have sold and purchase a product in GigaCloud Marketplace in the previous calendar year and the current calendar year As sellers and buyers are added to the marketplace the value of the marketplace grows Most of the sellers in our marketplace neither have the ability nor desire to engage in direct selling to end markets which requires the employment of a local sales network and knowledge of customer preferences Instead of taking on the risk of choosing the type and quantity of product to produce and market sellers in our marketplace need only fulfill orders from the network of buyers in our marketplace

Industry Leading Supply Chain Capabilities

We have built a network of strategically positioned warehouses across four countries to minimize distance to ports and key customers We currently have over four million square feet of total warehousing space spanning 14 distribution centers in the U S three in Europe and four in Japan We also entered into long term agreements with freight providers to ensure last mile logistics We have recently expanded our service offerings to include assembly and return services Due to our highly integrated supply chain solutions we are able to offer a flat rated pricing to customers that is competitive in the market Our rapidly expanding global presence and robust logistics network have positioned us as partners for some of the largest third-party ecommerce platforms For example in 2020 we entered into an non-exclusive agreement with JD com where JD com may utilize us for sourcing and shipping of large parcel items throughout the U S

Our Technology System

With a team of over 150 software engineers we have developed our system from the ground up Our suite of solutions include sourcing management inbound management trade and settlement management hybrid and complex trading management search and recommendation management and financial reporting requirement We control all source code of our operating system and we are not dependent on third-party providers to scale our platforms

Data Intelligence Powered by AI

We leverage self-learning AI to improve our operating efficiency Our system is capable of automating and optimizing inventory globally based on historical data rebalancing our merchandise across warehouses to maximize first mile collection and last mile delivery efficiency We have also developed trading pattern analytics tools that constantly analyze transaction patterns generating insightful information to suppliers to make well-informed decision regarding markets We also leverage our data analytics in order to provide supply chain finance solutions to select quality suppliers based on our extensive data on their performance and quality

Experienced and Innovative Team

Our management team has a combined 90 years of industry experience As of March 31 2022 we have 694 employees 34 of whom have master and doctor deg ees We also have a deep bench of 164 IT personnel dedicated to building next generation tools and systems

Growth Strategies

Grow and Diversify Seller Base and SKUs

We are dedicated to growing and diversifying our existing seller base For the year ended December 31 2020 and 2021 and the 12 months ended March 31 2022 we had 210 382 and 410 active 3P sellers in our marketplace respectively with 90% 85% and 88% of them based in mainland China We are looking to expand our seller base into South East Asia including Vietnam Thailand Indonesia and Philippines

We are also looking to expand our existing o ferings as well as extending our catalog opportunistically into adjacent categories such as auto parts in order to further solidify our position as the leading large parcel solution provider

Grow Buyer Base and Engagement

We are focused on attracting new buyers to our marketplace For the year ended December 31 2020 and 2021 and the 12 months ended March 31 2022 we had 1 689 3 566 and 3 782 buyers respectively generating $190 5 million $414 2 million and $438 1 million of GigaCloud Marketplace GMV respectively Our buyers are typically resellers located in the U S Japan and Europe We will continue to make investments in marketing to increase our brand awareness and improve our product offerings to drive buyer stickiness to the platform

Expand Product Offerings

We will continue to leverage our data analytics capabilities to develop new tools and services to drive incremental revenue opportunities such as the September 2020 launch of our supply chain financing services for select qualified sellers supported by the massive amount of data related to each supplier's product and performance which help us establish accurate credit profiles As SKUs in our marketplace grows we are also looking to roll out paid advertising tools that promote products based on search results

Expand Geographic Coverage

Our success is based on our expansive geographic footprint in key markets We will build out additional infrastructure in key markets in the U S including Braselton Geo gia Ontario California and Dallas Texas In Europe we are looking to enter into new geographies including North Rhine-Westphalia Germany

Logistics Network and Value-added Services

Warehousing Network

We have set up our local infrastructure in the U S strategically such that we are close to ports and customers shortening delivery time to the end customers We have three key operating centers in California Georgia and New Jersey covering 14 warehouses and seven ports of destination in the U S totaling over three million square feet Outside the U S we have two warehouses and two ports of destination in the U K one warehouse and one port of destination in Germany and four warehouses and one port of destination in Japan totaling over 500 000 square feet

We use AI and data analytics to determine optimal distribution of inventory among our warehouses under a unified warehouse management system and provide a virtual warehousing solution for sellers and buyers in our marketplace Our AI-powered warehousing management system solves the many practical problems faced by sellers and buyers in connection with complex cross-border transactions involving large parcel goods

Transportation Network

Upon delivery of goods from suppliers we engage our extensive shipping network consisting of ocean transportation utilizing major providers covering 11 ports of destination with about 10 000 annual containers and a trucking network in partnership with major trucking and freight service providers

We provide last mile delivery of bulk merchandise (over 150 pounds) and installation services to end customers which we self-operate These services are available in nine metro markets in the U S and we plan to expand coverage to other key metro markets We also utilize a network of delivery providers for last mile delivery throughout the U S and other markets We enter into agreements with the trucking and freight service providers we partner with for terms of three to five years during which they provide their services to us at certain tiered discounts depending on the volume we achieve which we have the option of renegotiating if we exceed anticipated volumes

Sourcing Network

We have 74 employees in China and Vietnam who source product from manufacturers throughout Asia This helps accelerate the supply on our GigaCloud marketplace and attract buyers to our marketplace that lack the network and sourcing capabilities that we have In addition we buy inventory from these suppliers for our off-platform ecommerce As of March 31 2022 we sourced merchandise from more than 900 merchants for our GigaCloud 1P and off-platform ecommerce

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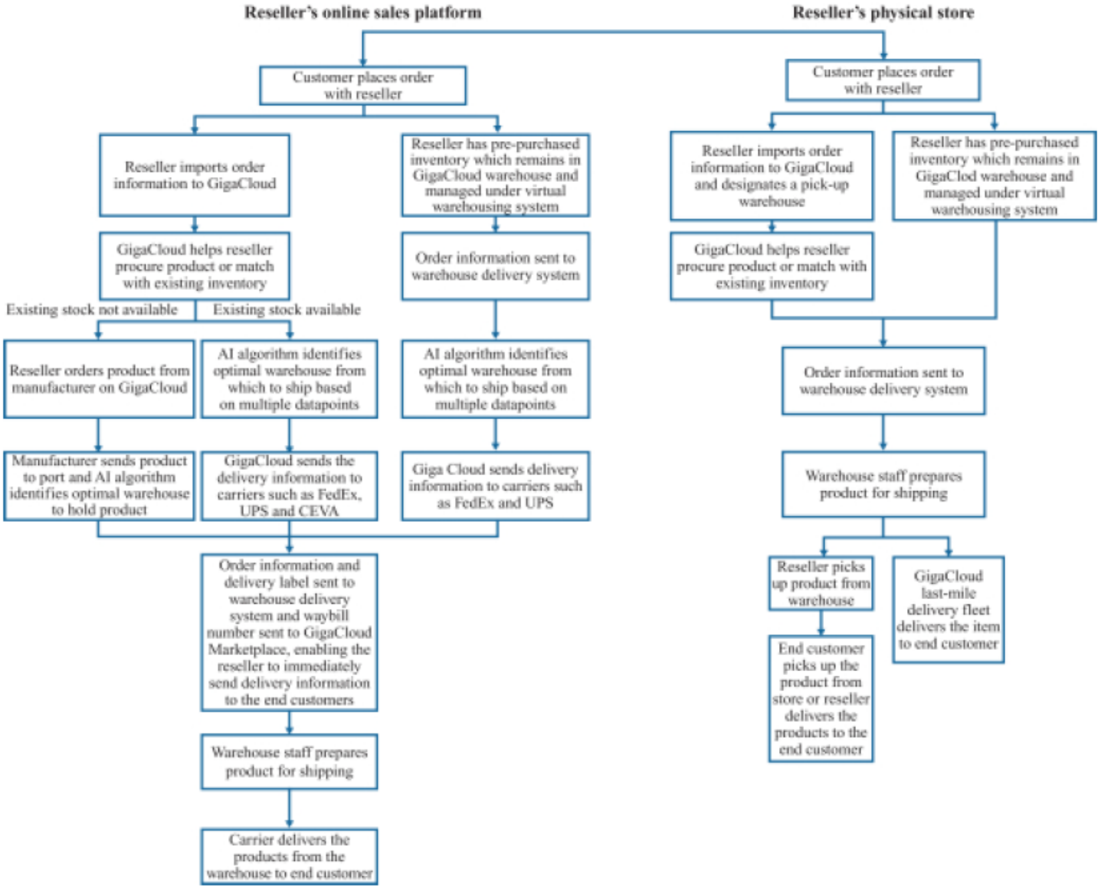
The chart below summarizes our sourcing network described above as of March 31 2022:



Order Fulfillment and Logistics Flow

Our GigaCloud Marketplace enables suppliers and buyers to transact with each other including setting their own optional and customizable margin and rebate offerings We charge a fee for each transaction in our GigaCloud Marketplace based on the transaction value and shipping fees We also sell 1P products directly on GigaCloud Marketplace

1P Pricing

For our 1P sales our pricing team approaches pricing scientifically and algorithmically by applying data and analytics to set our pricing We use data on competitive behavior historical sales seasonality and inventory levels to appropriately price our products We also engage in market research and branding analysis as well as take into account our estimated costs in order to control our margins We believe our technological skills and capabilities enable us to offer competitive prices for our products

Payment

We provide our customers with a number of payment options including bank transfers online payments with credit cards and debit cards issued by major banks and payment through major third-party online payment

platforms such as Alipay and PayPal Our customers can also use account balances in our GigaCloud Marketplace accumulated from deposits or prior refunds to make future purchases

1P Inventory Management

We believe we have an industry-leading average large parcel inventory turnover rate for our own inventory of 90 days for the three months ended March 31 2022 65 days in 2021 and 53 days for 2020 We use AI and data science to help with inventory management including deciding when to place orders and in what quantities Our 1P inventory in the three months ended March 31 2022 included furniture accounting for more than 85% of GMV fitness equipment accounting for approximately 5% to 10% of GMV and various other products including luggage pet products and others accounting for 4% to 10% of GMV

Warranties and Refunds

For our own products procured and sold in the GigaCloud Marketplace we provide 90-day warranties

For defective products sold in our GigaCloud Marketplace, our product managers determine refunds based on evidence provided by the buyer such as pictures screenshots and emails We initially provide eligible refunds to the buyer then recover the amount refunded from the suppliers under our purchase agreements We do not offer exchange or return policies due to the nature of the large parcel merchandise sold in our marketplace

Precision Software Platform and Technology Infrastructure

We have an in-house team of over 150 IT personnel and have built our own AI algorithms from scratch which gives us full control over our source code We have developed our platform to be scalable as our business expands and interoperable with external systems through an open API

AI Algorithm and Data Analysis

Our in-house reinforcement learning algorithms are built to optimize our inventory management across our multiple warehouses around the world analyzing historical data to determine how to manage our inventory and even where to establish our next warehouse Our algorithm also accounts for the fragility of certain types of inventory and reduces the number of times a product is moved Each time a product is handled there is an increased chance of damage which is an issue embedded in the home furnishing industry

We also create sales analytics and provide them to our sellers for a fee The services provide meaningful value to our sellers bringing products to new markets and support a high retention rate Additionally we leveraged the data collected on each seller’s inventory sales history and performance to establish a credit profile under our supply chain financing program

Pursuant to our supply chain financing program we provide cash advances to select sellers based on the estimated value of their inventory held in our warehouses Annual percentage rate on our cash advances approximates to 16% While our supply chain financing program is ancillary to our core business it represents a value-add service for individual sellers in our marketplace while currently requiring only a limited portion of our working capital to implement

Trading Platform

We have built a cross-border ecommerce trading platform upon three layers—(i) our foundation later which consists of basic services such as single login system access micro-service management system and data synchronization/back services as well as a financial management module including financial statement accounting and settlement systems (ii) a service layer which includes our stock management system warehouse management system and bulk merchandise transportation system and (iii) our application layer which consists of a variety of customer-facing value-added features

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Our foundation layer provides the basic security features for our logistics business by segregating basic functions as individual services in order to maximize our flexibility and scalability Our service layer drives our day-to-day operations including key support systems such as:

- our ERP Stock Management System a system capable of gathering and processing order procurement and delivery management data to allow for eal-time dynamic stock management as well as technical support for the business development of ecommerce companies;

- our OWM Warehouse Management System a warehouse management system with server-side management software and mobile scanning application used in day-to-day inventory management operations including storage receiving and shipping of bulky goods;

- our WOS Warehouse Delivery System a white glove order delivery system consolidating orders from various channels both domestically and abroad and integrating with foreign logistics providers to provide a unified system in order to support our multiple logistics models such as drop shipping door-to-door pickup cloud delivery and Walmart-S2S fulfilling the highest standards of overseas ecommerce logistics such as SFP and FBA Onsite; and

- our Giga Bulk Merchandise Transportation System a system for real-time dynamic management of inventory through order management returns management transfer management and fleet distribution management

Key features of our application layer include our B2B Inbound Supply Chain Management Module B2B trading platform (GigaCloud Marketplace) multi-channel global order management module and a GigaCloud's B2B Peripheral System The goal of these customer-facing applications is to mimic the real life transactions that sellers and buyers are used to seeing Our suite of applications cover a full range of capabilities from sourcing management inbound management trade and settlement management hybrid/complex trading management search and recommendation management and financial reporting requirements We offer a user-friendly platform for users to have a holistic view of their business from beginning to end To support external service providers we also adopt an open API to allow integration with all major software protocols

Network Infrastructure

We designed our data and network infrastructure for scalability and reliability to support the rapid growth in our user base in our marketplace As of March 31 2022 we have more than 180 servers hosted in five internet data centers in the U S mainland China Hong Kong Japan and Europe which contribute significantly the scale and reliability of our services Due to the use of cloud computing technology the amount of bandwidth we lease is flexibly expandable to handle a surge in the number of concurrent users on GigaCloud Marketplace at peak times

Sales and Marketing

We are committed to building a leading global trade service provider powering our B2B GigaCloud platform providing online and o fline integrated cross-border transaction and delivery services for furniture and large merchandise We employ a variety of methods to promote our services and attract potential customers merchants and other platform participants As of March 31 2022 we also have a sales team consisting of 101 sales representatives in locations around the world who source product for our 1P sales as well as bring in resellers and manufacturers to our GigaCloud Marketplace

Customer Service and Support

Our customer service team consists of 47 customer service representatives based in China and the U S as of March 31 2022 Our representatives are available seven days a week by phone email and live chat By

helping customers navigate our sites answering their questions and completing their orders this team helps us build trust with customers build our brand awareness enhance our reputation and drive sales

Risk Management and Compliance

Platform Monitoring

Preserving the integrity of GigaCloud Marketplace is a primary focus of our operations We employ a dedicated team that monitors transactions in our marketplace to check for abnormal or fraudulent activity such as large deviations in pricing abuse of our flat rate shipping policy and counterfeit products as well as monitor complaints submitted in our marketplace generally We limit the activities of sellers and buyers who have been involved in fraudulent transactions in our marketplace in the past and for particularly egregious violations we reserve the right to refuse service and demand the removal of a seller's inventory where applicable We also have dynamic password protection and real-time login activity monitoring to further authenticate sellers and buyers in our marketplace

We strictly enforce our anti-fraud and prevention of misuse measures For example we require our customers to provide identification documents such as identification card and business licenses to authenticate their identity and require them to enter passcode of the electronics to prevent fraud We also do not show the prices of products sold in our marketplace without users registering and logging onto the system to ensure that only registered sellers and buyers transact in a fair and secure marketplace

Product Quality and Safety

In addition to product liability insurance we purchase for our 1P products we have established a unified product inspection system for products sold in our 1P business to ensure product quality and safety Our inspection standards include packaging drop tests box marking printing accuracy checks product color checks packaging and product dimensions assembly packaging details and packaging images We also actively monitor the products listed on GigaCloud Marketplace to proactively identify and remove suspicious listings or potentially counterfeit products We take a broad range of measures to prevent counterfeit products in our marketplace to protect the sellers and buyers in our marketplace including actively identifying and taking down counterfeit products and providing complaint channels for sellers and buyers to report infringement If allegations of counterfeit goods or fraudulent transactions are verified we may take various actions including immediate delisting of the relevant products arranging for the seller to reimburse the buyer and imposing restrictions on the seller's ability to list new products or participate in promotional activities in our marketplace We also cooperate with brands and judicial authorities in connection with investigations into violations of intellectual property

While we maintain a "zero-tolerance" policy for counterfeit goods and fraudulent transactions in our marketplace we also protect sellers in our marketplace from false allegations and fictitious complaints with procedures in place to verify allegations and complaints and we allow sellers who have been accused of selling counterfeit products or engaging in fraudulent transactions up to two days to refute allegations and provide evidence of the authenticity of their products and transactions

Data Privacy and Security

We collect a vast amount of data that are related to our business all with consent from owners of such information We are committed to protecting the privacy and security of such data We have established and implemented a strict platform-wide policy on data collection processing and usage We have adopted data protection policies to ensure the security of proprietary and sensitive data and employed a data security team of engineers and technicians dedicated to protecting the security of such data To ensure data security and avoid data leakage we require each department to assign a dedicated individual to handle data protection and

confidentiality place restrictions on connecting internal local computers to external storage media and network sharing, control confidential information to prevent copying, transferring and third-party access without prior authorization and implement strict standards for off-site data backup and retrieval We have a data management department to supervise our data privacy and protection policies and procedures and investigate and resolve possible th eats or weaknesses We do not share or transfer personal information to any corporation organization or individual outside our platform without explicit consent For more information see "Risk Factors—Risks Related to Our Business and Industry—Our failure or the failure of third-party service providers to protect our marketplace networks and systems against security breaches or otherwise to protect our confidential information could damage our reputation and substantially harm our business and operating results" and "Risk Factors—Risks Related to Our Business and Industry—We are subject to stringent and changing privacy laws regulations and standards as well as contractual obligations related to data privacy and security Our actual or perceived failure to comply with such obligations could harm our reputation subject us to significant fines and liability or otherwise adversely affect our business or prospects "

Competition

In connection with our GigaCloud Marketplace we compete with other ecommerce platforms on which sellers and buyers trade merchandise particularly large parcel items For 1P the market for the online goods that we sell is highly competitive fragmented and rapidly changing We compete with other similar manufacturers

While ecommerce has been embraced by sellers and buyers around the world the ecommerce market for large parcel items such as furniture and fitness equipment remains underpenetrated due to the logistics challenges presented by la ge parcel items ecommerce poses high capital requirements for overhead expenditures to support the business operations throughout the value chain including the costs for establishing IT facilities procuring products from upper-tier suppliers renting and running warehouses acquiring new users as well as related logistics costs for delivery of products Carrying out ecommerce business involves multiple technology capabilities including but not limited to cloud computing big data analytics and artificial intelligence to create competitive advantages in business operation

Intellectual Property

Our intellectual property including any trademarks copyrights trade dress trade secrets and technologies is an important part of our business Our success depends in part on our ability to obtain and maintain intellectual property and proprietary protection for our technology defend and enforce our intellectual property rights preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating valid and enforceable intellectual property and proprietary rights of others To protect our intellectual property and proprietary information we rely on a combination of trademark copyright and trade secret laws and regulations as well as contractual restrictions We seek to protect our technology in part by requiring our employees consultants contractors and other third parties to execute confidentiality agreements and by implementing technological measures and other methods

We pursue the registration of our trademarks including "GIGACLOUD LOGISTICS" and "大健云仓" and certain variations thereon copyrights and domain names in the U S China and certain foreign jurisdictions As of March 31 2022 we own 19 registered U S trademarks 10 registered PRC trademarks 24 registered foreign trademarks and 2 U S and foreign copyright registrations primarily covering the software we have designed We also rely on the protection of laws regarding unregistered copyrights for our software and certain other content we create We will continue to evaluate the merits applying for copyright registrations in the future We also own 3 registered domain names including gigacloudlogistics com gigacloudlogistics cn and oristand com For more information see "Risk Factors—Risks Related to Our Business and Industry—We may not be able to prevent others from unauthorized use of our intellectual property which could harm our business and competitive position "

Facilities

Our corporate headquarters is in Suzhou China where we currently occupy approximately 53 860 square feet of office space pursuant to a lease with one year lease term which can be renewed prior to the termination We also lease 21 warehouses in the U S Japan the U K and Germany totaling over four million square feet

We believe that our facilities are su ficient to meet our current needs We intend to add new facilities or to expand our existing facilities as we add employees and expand our operations We believe that additional space that is suitable for our needs will be available as needed to accommodate any such expansion of our operations

Employees

As of March 31 2022 we had 694 full-time equivalent employees respectively 34 of whom had masters or doctors degrees None of our employees is represented by a labor union or covered by a collective bargaining agreement We consider our relationship with our employees to be good The following table shows a b eakdown of our employees by department function and by geographic location as of March 31 2022:

Department/Function	Employees
General and Administrative	95
Information Technology	164
Sales and Marketing	298
Operations	90
Customer Service	47
Total	694

Geographic Location	Employees
China	541
U S	74
Japan	27
U K	15
Germany	6
Vietnam	31
Total	694

Government Regulations

Our business is subject to foreign and domestic laws and regulations applicable to companies conducting business on the Internet Jurisdictions vary as to how or whether existing laws governing areas such as personal privacy and data security consumer protection or sales and other taxes among other areas apply to the Internet and ecommerce and these laws are continually evolving For example certain applicable privacy laws and regulations require us to provide customers with our policies on sharing information with third parties and advance notice of any changes to these policies Related laws may govern the manner in which we collect store use process disclose or transfer sensitive information or impose obligations on us in the event of a security breach or inadvertent disclosure of such information International jurisdictions impose different and sometimes more stringent consumer and privacy protections Additionally tax regulations in jurisdictions where we do not currently collect state or local taxes may subject us to the obligation to collect and remit such taxes or to additional taxes or to requirements intended to assist jurisdictions with their tax collection efforts New legislation or regulation the application of laws from jurisdictions whose laws do not currently apply to our

business or the application of existing laws and regulations to the Internet and ecommerce generally could result in significant additional taxes on our business Further we could be subject to fines or other payments for any past failures to comply with these requirements The continued growth and demand for ecommerce is likely to result in more laws and regulations that impose additional compliance burdens on ecommerce companies For more information see “Risk Factors—Risks Related to Our Business and Industry—Government regulation of the Internet and ecommerce in the U S and globally is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations ” and “Risk Factors—Risks Related to Our Business and Industry—We are subject to stringent and changing privacy laws regulations and standards as well as contractual obligations related to data privacy and security Our actual or perceived failure to comply with such obligations could harm our reputation subject us to significant fines and liability or otherwise adversely affect our business or prospects ”

Insurance

We maintain certain insurance policies to safeguard us against risks and unexpected events including property damage and business interruption as well as insurance coverage over goods in transit employers’ insurance product liability and commercial insurance We believe that we maintain a range of insurance coverage in relation to our business that is customary for our industry

Legal Proceedings

From time to time we may be involved in claims that arise during the ordinary course of business Although the results of litigation and claims cannot be predicted with certainty we do not currently have any pending litigation to which we are a party or to which our property is subject that we believe to be material Regardless of the outcome litigation can be costly and time consuming as it can divert management’s attention from important business matters and initiatives negatively impacting our overall operations In addition we may also find ourselves at greater risk to outside party claims as we increase our operations in jurisdictions where the laws with respect to the potential liability of online retailers are uncertain unfavorable or unclear

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PRINCIPAL SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of our ordinary shares on an as-converted basis as of the date of this prospectus for:

- each of our directors and executive officers; and
- each person known to us to beneficially own 5% or more of our total issued and outstanding ordinary shares

We have adopted a dual class ordinary share structure which will become effective immediately prior to the completion of this offering The calculations in the table below are based on:

- 37 303 546 ordinary shares outstanding on an as-converted basis as of the date of this prospectus; and
- 40 243 546 ordinary shares outstanding on an as-converted basis immediately after the completion of this o fering comprised of 30 916 814 Class A ordinary shares on an as-converted basis including 2 940 000 Class A ordinary shares to be sold by us in this offering, and 9 326 732 Class B ordinary shares on an as-converted basis assuming the underwriter does not exercise the over-allotment option to purchase additional Class A ordinary shares

Beneficial ownership is determined in accordance with the rules and regulations of the SEC In computing the number of shares beneficially owned by a person and the percentage ownership of that person we have included shares that the person has the right to acquire within 60 days of the date of this prospectus including through the exercise of any option warrant or other right or the conversion of any other security These shares however are not included in the computation of the percentage ownership of any other person

	Ordinary Shares Beneficially Owned Prior to This Offering***		Ordinary Shares Beneficially Owned After This Offering***				
	Number	%	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares on an as-converted basis	Percentage of Beneficial Ownership	Percentage of Total Voting Power****
Directors and Executive Officers**							
Larry Lei Wu[(1)]	9 326 732	25 0	—	9 326 732	9 326 732	23 2	75 1
Xin Wan[(2)]	1 097 540	2 9	1 097 540	—	1 097 540	2 7	0 9
Frank Lin[(3)]	6 990 586	18 7	7 806 886	—	7 806 886	19 4	6 3
Xing Huang	—	—	—	—	—	—	—
Zhiwu Chen	—	—	—	—	—	—	—
Binghe Guo	—	—	—	—	—	—	—
Thomas Liu	—	—	—	—	—	—	—
Kwok Hei David Lau	—	—	—	—	—	—	—
All directors and executive officers as a group	17 414 858	46 6	8 904 426	9 326 732	18 231 158	45 3	82 3
Principal Shareholders:							
Larry Lei Wu[(1)]	9 326 732	25 0	9 326 732	—	9 326 732	23 2	75 1
DCM entities[(4)]	6 990 586	18 7	7 806 886	—	7 806 886	19 4	6 3
JD entity[(5)]	4 211 333	11 3	4 211 333	—	4 211 333	10 5	3 4
Dongsi Er Tiao Trust[(6)]	3 668 363	9 8	3 668 363	—	3 668 363	9 1	3 0
Hua Yuan International Limited[(7)]	3 566 272	9 6	3 566 272	—	3 566 272	8 9	2 9
Hong Kong Red Star Macalline Universal Home Furnishings Limited[(8)]	2 943 786	7 9	2 943 786	—	2 943 786	7 3	2 4
FireDragon Holdings Inc [(9)]	2 046 984	5 5	2 046 984	—	2 046 984	5 1	1 6

** Except as indicated otherwise below the business address of our directors and executive o ficers is Unit A 12/F Shun Ho Tower 24-30 Ice House Street Central Hong Kong The business address of Frank Lin is Unit 1 Level 10 Tower W2 Oriental Plaza 1# Changan Ave Dong Cheng District Beijing The business address of Xing Huang is Building 4 Jingdong Headquarters at the intersection of Kechuang 11th Street and Jinghai 4th Road Yizhuang Economic Development Zone Daxing District Beijing The business address of Zhiwu Chen is Asia Global Institute Room 326-348 3/F Main Building, The University of Hong Kong, Pokfulam Hong Kong The business address of Binghe Guo is 7th Floor North Building, Block B Lane 1466 Shenchang Road Minhang District Shanghai China The business address of Thomas Liu is 29F Tower 3 Jing An Kerry Centre 1228 Middle Yan'an Road Shanghai

*** Beneficial ownership information disclosed herein represents direct and indirect holdings of entities owned controlled or otherwise affiliated with the applicable holder as determined in accordance with the rules and regulations of the SEC

**** For each person or group included in this column percentage of total voting power represents voting power based on both Class A and Class B ordinary shares beneficially owned by such person or group with respect to the voting power of all of our issued and outstanding Class A and Class B ordinary shares as a single class Each holder of our Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is entitled to ten votes per share on all matters submitted to them for a vote Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders except as may otherwise be required by law Our Class B ordinary shares a e convertible at any time by the holder into Class A ordinary shares on a one-for-one basis while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances

(1) Represents (i) 154 880 ordinary shares held by TALENT BOOM GROUP LIMITED a company incorporated in the British Virgin Islands and controlled by Mr Wu and (ii) 7 600 809 ordinary shares and 1 571 043 ordinary shares issuable upon conversion of the same amount of series B preferred shares held by Ji Xiang Hu Tong Holdings Limited a company incorporated in the British Virgin Islands The sole shareholder of Ji Xiang Hu Tong Holdings Limited is a limited liability company incorporated in Delaware U S controlled by Mr Wu as its sole member and sole manager Mr Wu may be deemed to be the beneficial owner of the shares held by TALENT BOOM GROUP LIMITED and Ji Xiang Hu Tong Holdings Limited The registered address of TALENT BOOM GROUP LIMITED and Ji Xiang Hu Tong Holdings Limited is Vistra Corporate Services Centre Wickhams Cay II Road Town Tortola VG1110 British Virgin Islands All the shares held by TALENT BOOM GROUP LIMITED and Ji Xiang Hu Tong Holdings Limited will be re-classified and re-designated as Class B ordinary shares immediately prior to the completion of this o fering

(2) Represents 1 097 540 ordinary shares held through Dongsi Tou Tiao Limited a company incorporated in British Virgin Islands Dongsi Tou Tiao Limited is controlled and managed by Dongsi Tou Tiao Trust a trust established under a trust deed dated July 13 2021 between us and Futu Trustee as trustee The trust's beneficiaries are certain of our directors and executive officers including Mr Wan who are the participants of our 2008 Plan and 2017 Plan The trust deed provides that the trustee shall not exercise the voting rights attached to our shares held by Dongsi Tou Tiao Limited or the investment and dispositive power unless otherwise directed by the advisory committee of the trust As of the date of this prospectus the sole member of the advisory committee of Dongsi Tou Tiao Trust is our human resource manager who is not our director executive officer or affiliate Dongsi Tou Tiao Trust is therefore treated as our consolidated VIE under U S GAAP For details of Dongsi Tou Tiao Limited and Dongsi Tou Tiao Trust see "Management—Share Incentive Plans—Equity Incentive Trusts " Each of Mr Wan and the advisory committee member disclaims the beneficial ownership of our shares held by Dongsi Tou Tiao Limited except to the extent of any pecuniary interest therein The registered address of Dongsi Tou Tiao Limited is at the offices of Trinity Chambers P O Box 4301 Road Town Tortola British Virgin Islands All the

shares held by Dongsi Tou Tiao Limited will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this o fering

(3) Represents the ordinary shares held by certain entities affiliated with DCM See note (4) below

(4) Represents (i) 964 981 ordinary shares and an aggregate of 5 852 240 ordinary shares issuable upon conversion of 91 799 series A preferred shares and 5 760 441 series B p eferred shares held by DCM IV L P a Cayman Islands exempted limited partnership ("DCM IV") and (ii) 24 540 ordinary shares and an aggregate of 148 825 ordinary shares issuable upon conversion of 2 334 series A preferred shares and 146 491 series B preferred shares held by DCM Affiliates Fund IV L P a Cayman Islands exempted limited partnership ("DCM Affiliates IV") The number of Class A ordinary shares beneficially owned immediately after this offering also includes an aggregate of 816 300 Class A ordinary shares which DCM U S Fund IX Ltd ("DCM IX") and DCM Affiliates Fund IX L P ("DCM Affiliates IX") have agreed to purchase and have been allocated by the underwriter in this offering at the initial public offering price and on the same terms as the other shares being offered in this o fering DCM Investment Management IV L P ("DCM IV DGP") the general partner of each of DCM IV and DCM A filiates IV and DCM International IV Ltd the general partner of DCM IV DGP ("DCM IV UGP"), may each be deemed to have sole voting and dispositive power over the shares held by DCM IV and DCM Affiliates IV DCM Investment Management IX L P ("DCM IX DGP") the general partner of each of DCM IX and DCM Affiliates IX and DCM International IX Ltd the general partner of DCM IX DGP ("DCM IX UGP") may each be deemed to have sole voting and dispositive power over the shares held by DCM IX and DCM A filiates IX Frank Lin and Matthew C Bonner are the directors of DCM IV UGP and DCM IX UGP and may be deemed to share voting and dispositive power over the shares held by DCM IV DCM A filiates IV DCM IX and DCM Affiliates IX Each of the foregoing persons disclaims beneficial ownership of shares held by DCM IV DCM A filiates IV DCM IX and DCM Affiliates IX except to the extent of any pecuniary interest therein The business address of DCM IV DCM A filiates IV DCM IX and DCM Affiliates IX is 2420 Sand Hill Road Suite 200 Menlo Park CA 94025 All the shares held by DCM IV and DCM Affiliates IV will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this offering

(5) Represents an aggregate of 4 211 333 ordinary shares issuable upon conversion of 12 017 series A preferred shares and 293 706 series B preferred shares 1 185 808 series C preferred shares and 2 719 802 series E preferred shares held by Honeysuckle Creek Limited a company incorporated in the British Virgin Islands Honeysuckle Creek Limited is wholly owned by JD com Investment Limited which is a wholly-owned subsidiary of JD com Inc a company incorporated in the Cayman Islands and listed on the Nasdaq Global Select Market (Nasdaq: JD) and the Main Board of the Hong Kong Stock Exchange (HKEX: 9618) The registered address of Honeysuckle Creek Limited is Craigmuir Chambers Road Town Tortola VG 1110 British Vi gin Islands All the shares held by Honeysuckle Creek Limited will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this offering

(6) Represents 3 668 363 ordinary shares held by Dongsi Er Tiao Limited a company incorporated in British Virgin Islands Dongsi Er Tiao Limited is controlled and managed by Dongsi Er Tiao Trust a trust established under a trust deed dated July 13 2021 between us and Futu Trustee as trustee The trust's beneficiaries are certain of our employees who are the participants of our 2008 Plan and 2017 Plan The trust deed provides that the trustee shall not exercise the voting rights attached to our shares held by Dongsi Er Tiao Limited or the investment and dispositive power unless otherwise directed by the advisory committee of the trust As of the date of this prospectus the sole member of the advisory committee of Dongsi Er Tiao Trust is our CEO assistant who is not our director executive officer or affiliate Dongsi Er Tiao Trust is therefore treated as our consolidated VIE under U S GAAP For details of Dongsi Er Tiao Limited and Dongsi Er Tiao Trust see "Management—Share Incentive Plans—Equity

Incentive Trusts ” The advisory committee member disclaims the beneficial ownership of our shares held by Dongsi Er Tiao Limited except to the extent of any pecuniary interest therein The registered address of Dongsi Er Tiao Limited is at the offices of Trinity Chambers P O Box 4301 Road Town Tortola British Virgin Islands All the shares held by Dongsi Er Tiao Limited will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this offering

(7) Represents an aggregate of 3 566 272 ordinary shares issuable upon conversion of 2 286 365 series C preferred shares and 1 279 907 series E preferred shares held by Hua Yuan International Limited a company incorporated in Hong Kong Hua Yuan International Limited is wholly owned by China-Singapore Suzhou Industrial Park Ventures Co Ltd which is wholly owned by Suzhou Oriza Holdings Corporation Limited Suzhou Oriza Holdings Corporation Limited is controlled by Suzhou Industrial Park Economic Development Co Ltd which is PRC state-owned enterprise Mr Chengwei Liu is the sole director of Hua Yuan International Limited and has the voting and investment power over Hua Yuan International Limited Mr Chengwei Liu disclaims the beneficial ownership of the shares held by Hua Yuan International Limited except to the extent of any pecuniary interest therein The registered address of Hua Yuan International Limited is Room 8201 82/F International Commerce Centre 1 Austin Road West KL Hong Kong The business address of Mr Chengwei Liu is Block 19 Sandlake VC/PE Community 183 Suhong Dong Rd Suzhou Industrial Park Jiangsu China All the shares held by Hua Yuan International Limited will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this offering

(8) Represents an aggregate of 2 943 786 ordinary shares issuable upon conversion of 2 943 786 series D preferred shares held by Hong Kong Red Star Macalline Universal Home Furnishings Limited or Hong Kong Red Star Macalline a company incorporated in Hong Kong Hong Kong Red Star Macalline is wholly owned by Red Star Macalline Group Corporation Limited a company established in China and a public company listed in Hong Kong (HKSE: 1528) and Shanghai (SSE: 601828) The controlling shareholder of Red Star Macalline Group Corporation Limited is Mr Jianxing Che who may be deemed to be the beneficial owner of the shares held by Hong Kong Red Star Macalline The registered address of Hong Kong Red Star Macalline Universal Home Furnishings Limited is 31/F Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong The business address of Mr Jianxing Che is c/o Red Star Macalline Group Corporation Limited No 2/5 Lane 1466 Shenchang road Minhang District Shanghai China All the shares held by Hong Kong Red Star Macalline will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this offering

(9) Represents an aggregate of 2 046 984 ordinary shares held by FireDragon Holdings Inc a company incorporated in the British Virgin Islands wholly owned by Lianya Pan one of our founders Mr Pan may be deemed to be the beneficial owner of the shares held by FireDragon Holdings Inc The registered address of FireDragon Holdings Inc is Trinity Chambers P O Box 4301 Road Town Tortola British Virgin Islands All the shares held by FireDragon Holdings Inc will be re-classified and re-designated as Class A ordinary shares immediately prior to the completion of this offering

As of the date of this prospectus we have 253 479 ordinary shares held by record holders in the U S We are not aware of any arrangement that may at a subsequent date result in a change of control of our company

See “Description of Share Capital—History of Securities Issuances” for a description of issuances of our ordinary shares that have resulted in significant changes in ownership held by our major shareholders

EXPERTS

The consolidated financial statements of GigaCloud Technology Inc as of December 31 2019 and 2020 and for the years then ended have been included herein and in the registration statement in reliance upon the report of KPMG Huazhen LLP independent registered public accounting firm appearing elsewhere herein and upon the authority of said firm as experts in accounting and auditing

The audit report contains an explanatory paragraph that states that our company has restated its 2019 and 2020 consolidated financial statements to correct errors in the recognition of its share-based compensation expenses

The o fice of KPMG Huazhen LLP is located at 25th Floor Tower II Plaza 66 1266 Nanjing West Road Shanghai People's Republic of China